STATUTES OF CALIFORNIA

1977–78

REGULAR SESSION

1977 CHAPTERS

CHAPTER 1

An act to amend Section 14007 of, to add Section 6614.1 to, to repeal Sections 3780, 5010 and 29138 of, and to amend and renumber Section 5360 of, and to add Article 9 (commencing with Section 29490) to Chapter 4 of Division 17 of, the Elections Code, and to repeal Section 15600 of the Government Code, relating to elections, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor December 13, 1976. Filed with Secretary of State, December 14, 1976.]

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

SECTION 1. Section 3780 of the Elections Code, as added by Chapter 248 of the Statutes of 1976, is repealed.

SEC. 2. Section 5010 of the Elections Code, as added by Chapter 248 of the Statutes of 1976, is repealed.

SEC. 3. Section 5360 of the Elections Code, as added by Chapter 916 of the Statutes of 1976, is amended and renumbered to read:

5353. (a) Each city, county, city and county, and district may hold, at their discretion, an advisory election in consolidation with scheduled elections of the city, county, city and county, or district for the purpose of allowing voters within the respective jurisdiction to voice their opinion on substantive issues or to indicate to the local legislative body approval or disapproval of the ballot proposal.

(b) An advisory vote will be indicated as such on the ballot as a heading above the ballot proposal and by only the following description: "Advisory Vote Only."

(c) As used in this section, "advisory vote" means an indication of general voter opinion regarding the ballot proposal. The results of the advisory vote will in no manner be controlling on the sponsoring legislative body.

SEC. 4. Section 6614.1 is added to the Elections Code, to read:

6614.1. In the event there are only two candidates for any one office of a county supervisor, such office of county supervisor shall not be placed on the official ballot and shall not be voted upon at the ensuing direct primary election, but such office shall be placed on the official ballot for, and be voted upon at, the ensuing November general election.

SEC. 5. Section 14007 of the Elections Code, as added by Chapter 220 of the Statutes of 1976, is amended to read:

14007. All officers required by law to designate polling places shall furnish the polling places with a sufficient number of places, booths, or compartments, at or in which voters may conveniently mark their ballots, so that they may be screened from the observation of others. Each place, compartment, or booth shall be so adjusted as to conceal from any observation the voter's marking of the ballot. The number of voting booths or compartments shall be determined by the officer

conducting the election

SEC. 6. Section 29138 of the Elections Code, as added by Chapter 1211 of the Statutes of 1976, is repealed.

SEC. 6.5. Article 9 (commmencing with Section 29490) is added to Chapter 4 of Division 17 of the Elections Code, to read:

Article 9. Misuse of State Publications

29490. No agency or department of the state may use its publications to advise state employees of any constitutional officer's choice of candidates for public office or for recommending positions on specific ballot propositions not related to the functions of that agency or department.

For purposes of this section "publications" mean any written or printed matter including, but not limited to, agency or department memorandums or directives, but shall not include legislative newsletters or state ballot pamphlets.

Any state officer who violates this section is guilty of a misdemeanor.

SEC. 7. Section 15600 of the Government Code is repealed.

SEC. 7.5. The provisions of Section 6.5 of this act shall become operative on January 1, 1977.

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

In order that the provisions of this act may become operative in connection with the conduct of local elections in 1977, it is necessary that this act take effect immediately.

CHAPTER 2

An act to amend Sections 667.5, 1170.2, 2930, 2931, 3000, 3025, 3065, and 5075 of the Penal Code, relating to imprisonment, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor December 15, 1976. Filed with Secretary of State December 16, 1976.]

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

SECTION 1. Section 667.5 of the Penal Code, as added by Chapter 1139 of the Statutes of 1976, is amended to read:

667.5. Enhancement of prison terms for new offenses because of prior prison terms shall be imposed as follows:

(a) Where the new offense is one of the violent felonies specified in subdivision (c) and the defendant is sentenced to prison therefor, in addition and consecutive to any other prison terms therefor, the

trial court shall impose a three-year term for each prior separate prison term served by the defendant where the prior was one of the violent felonies specified in subdivision (c); provided that no additional term shall be imposed under this subdivision in any case in which the defendant has remained free of prison custody and free of felony conviction for 10 years immediately preceding the filing of an accusatory pleading that results in such felony conviction. However, if the court determines that there are circumstances in mitigation of the additional punishment prescribed, the court may strike the additional punishment, provided that reasons therefor are stated on the record.

(b) Except where subdivision (a) applies, when the new offense is any felony for which a prison sentence is imposed, in addition and consecutive to any other prison term therefor, the trial court shall, unless specifically not ordered by the court with reasons therefor stated on the record, impose a one-year term for each prior separate prison term served for any felony; provided that no additional term shall be imposed under this subdivision in any case in which the defendant has remained free of prison custody for five years immediately preceding the filing of an accusatory pleading that results in a new felony conviction. For the purposes of this subdivision the defendant shall be deemed to remain in prison custody for an offense until the official discharge from such custody or until release on parole whichever first occurs including any time during which the defendant remains subject to arrest for escape from such custody.

(c) For the purpose of this section "violent felony" shall mean any of the following crimes for which the defendant served a separate prison term:

(1) Murder or voluntary manslaughter

(2) Mayhem

(3) Forceable rape as defined in subdivisions (2), (3), and (4) of Section 261

(4) Sodomy by force, violence, duress, menace, or threat of great bodily harm

(5) Oral copulation by force, violence, duress, menace, or threat of great bodily harm

(6) Kidnapping as defined in Section 209

(7) Lewd acts on a child under 14 as defined in Section 288

(8) Any other felony in which the defendant inflicts great bodily injury on person other than accomplices has been alleged and proved as provided for in Section 12022.7 if convicted after July 1, 1977, or as specified prior to July 1, 1977in Sections 213, 264, and 461.

The Legislature finds and declares that those specified crimes merit special consideration when imposing a sentence to display society's condemnation for such extraordinary crimes of violence against the person.

(d) The additional penalties provided for prior prison terms shall not be imposed unless they are charged and admitted or found true

in the action for the new offense.

(e) The additional penalties provided for prior prison terms shall not be imposed for any felony for which the defendant did not serve a prior separate prison term which was at least one year in duration.

(f) A prior conviction of a felony shall include a conviction in another jurisdiction for an offense which if committed in California is punishable by imprisonment in state prison provided the defendants served one year or more in prison for such offense in the other jurisdiction. A prior conviction of a particular felony shall include a conviction in another jurisdiction for an offense which includes all of the elements of the particular felony as defined under California law provided the defendants served one year or more in prison for such offense in the other jurisdiction.

(g) A continuous completed period of prison incarceration imposed for the particular offense alone or in combination with sentences for other counts or sentences to be served concurrently or consecutively therewith including any reimprisonment on revocation of parole or new commitment for escape from such incarceration shall be deemed a single prior separate term for the purposes of this section.

(h) Serving a prison term includes time spent in any state prison or federal penal institution as punishment for commission of an offense including time spent in a hospital or other institution or facility credited as service of prison time in the jurisdiction of such service.

SEC. 2. Section 1170.2 of the Penal Code, as added by Chapter 1139 of the Statutes of 1976, is amended to read:

1170.2. (a) In the case of any inmate sentenced for a felony to state prison prior to July 1, 1977, who would have been sentenced under Section 1170 if sentenced after July 1, 1977, the Community Release Board shall determine what the length of time of imprisonment would have been under Section 1170 without consideration of good-time credit and utilizing the middle term of the offense bearing the longest terms of imprisonment of which the prisoner was convicted aggregated by any additional terms which were imposed by the court at the time of sentencing for such felony or aggravation.

(b) When the calculation required under subdivision (a) is less than the time to be served prior to a parole date set prior to July 1, 1977, by the Adult Authority, the Community Release Board shall reset the prisoners parole date, subject to subdivision (d) on the date calculated under subdivision (a) unless a majority of all of the members of the Community Release Board after reviewing the prisoner's file, determine that due to the number of crimes the prisoner was convicted of, or due to the number of prior convictions the prisoner has been convicted of, or due to the fact that the prisoner was armed with a deadly weapon when the crime was committed, or used a deadly weapon during the commission of the crime, or inflicted or attempted to inflict great bodily injury on the victim of the crime, the prisoner should serve a term longer than that

calculated in subdivision (a), in which event the prisoner shall be entitled to a hearing, as provided for in Section 3041.5. At such hearing the prisoner shall be entitled to be represented by legal counsel, and a release date shall be set within 90 days of July 1, 1977, and the prisoner shall be informed in writing of the extraordinary factors specifically considered determinative and on what basis the release date has been calculated. In fixing a term under this section the board shall be guided by the term which reasonably could be imposed on a person convicted after July 1, 1977, of a similar crime under similar circumstances specifically in those cases which involve persons convicted of one or more of the crimes specified in subdivision (c) of Section 667.5. In fixing a term in any case involving a prisoner convicted of one or more of the crimes specified in subdivision (c) of Section 667.5, the board shall be guided by the following finding and declaration hereby made by the Legislature: that the necessity to protect the public from repetition of such extraordinary crimes of violence against the person is the paramount consideration.

(c) When a parole date was not set by the Adult Authority for an inmate sentenced prior to July 1, 1977, who would have been sentenced under Section 1170 if sentenced after July 1, 1977, the Community Release Board shall set the prisoner's parole date, subject to subdivision (d), on the date calculated under subdivision (a) unless a majority of all of the members of the Community Release Board after reviewing the prisoner's file, determine that due to the number of crimes the prisoner was convicted of, or due to the number of prior convictions the prisoner has been convicted of, or due to the fact that the prisoner was armed with a deadly weapon when the crime was committed, or used a deadly weapon during the commission of the crime, or inflicted or attempted to inflict great bodily injury on the victim of the crime, the prisoner should serve a term longer than that calculated in subdivision (a) in which event the prisoner shall be entitled to a hearing, as provided for in Section 3041.5. At such hearing the prisoner shall be entitled to be represented by legal counsel, and a release date shall be set within 90 days of July 1, 1977, and the prisoner shall be informed in writing of the extraordinary factors specifically considered determinative and on what basis the release date has been calculated. In fixing a term under this section the board shall be guided by the term which reasonably could be imposed on a person convicted after July 1, 1977, of a similar crime under similar circumstances specifically in those cases which involve persons convicted of one or more of the crimes specified in subdivision (c) of Section 667.5. In fixing a term in any case involving a prisoner convicted of one or more of the crimes specified in subdivision (c) of Section 667.5, the board shall be guided by the following finding and declaration hereby made by the Legislature: that the necessity to protect the public from repetition of such extraordinary crimes of violence against the person is the paramount consideration.

(d) In the case of any prisoner sentenced for a felony to state prison prior to July 1, 1977, who would have been sentenced under Section 1170 if sentenced after July 1, 1977, the good behavior and participation provisions of Article 2.5 (commencing with Section 2930) of Chapter 7 of Title 1 of Part 3 shall apply from July 1, 1977, and thereafter.

(e) In the case of any inmate sentenced for a felony to state prison prior to July 1, 1977, who would have been sentenced under Section 1168 after July 1, 1977, the Community Release Board shall provide for release from prison as provided for by this code.

(f) In the case of any inmate sentenced for a felony to state prison prior to July 1, 1977, the length of parole conditions therein, revocation thereof, and other incidents thereto shall be the same as if the prisoner had been sentenced after July 1, 1977.

(g) Nothing in this section shall be deemed to keep an inmate in the custody of the Department of Corrections for a period of time longer than he would have been kept in its custody under the provisions of law applicable to him prior to July 1, 1977.

(h) Nothing in this chapter shall affect an inmates eligibility for parole under Article 3 (commencing with Section 3040) of Chapter 8 of Title 1 of Part 3 of this code, for a period of parole as specified in subdivision (b) of Section 3000.

SEC. 3. Section 2930 of the Penal Code, as added by Chapter 1139 of the Statutes of 1976, is amended to read:

2930. (a) The Department of Corrections shall inform every prisoner sentenced under Section 1170, not later than 14 days after the commencement of the term of imprisonment, of all applicable prison rules and regulations including the possibility of receiving a one-third reduction of the sentence for good behavior and participation. Within 14 days of the prisoner's arrival at the institution to which the prisoner is ultimately assigned by the Department of Corrections, the prisoner shall be informed of the range of programs offered by that institution and their availability at that institution. The prisoner's central file shall reflect compliance with the provisions of this section not later than 90 days after commencement of term.

(b) The department shall, within 90 days after July 1, 1977, inform every prisoner who would have been sentenced under Section 1170 if sentenced after July 1, 1977, of all applicable prison rules and regulations, of the range of programs offered and their availability, and the possibility of receiving a reduction for good behavior and participation of one-third of the prisoner's remaining sentence after July 1, 1977. The inmate's central file shall reflect compliance with the provisions of this section.

SEC. 4. Section 2931 of the Penal Code, as added by Chapter 1139 of the Statutes of 1976, is amended to read:

2931. (a) In any case in which an inmate was sentenced to the state prison pursuant to Section 1170, or if he would have been sentenced under Section 1170 if sentenced after July 1, 1977, the Department of

Corrections shall have the authority to reduce the term prescribed under such section by one-third for good behavior and participation consistent with subdivision (d) of Section 1170.2. A document shall be signed by a prison official and the inmate, at the time of compliance with Section 2930, outlining the conditions which the inmate shall meet to receive the credit. The conditions specified in such document may be modified upon any of the following:

(1) Mutual consent of the prisoner and the Department of Corrections.

(2) The transfer of the inmate from one institution to another.

(3) The department's determination of the prisoner's lack of adaptability or success in a specific program or assignment. In such case the inmate shall be entitled to a hearing regarding the department's decision.

(b) Total possible good behavior and participation credit shall result in a four-months reduction for each eight months served in prison. Three months of this four-month reduction shall be based upon forbearance from any or all of the following activities:

(1) Assault with a weapon; or escape.

(2) Physically assaultive behavior; possession of a weapon without permission; possession of controlled substances without prescription; attempt to escape; or urging others, with the intent to cause a riot, to commit acts of force or violence, at a time and place under circumstances which produce a clear and present and immediate danger of a riot which results in acts of force or violence.

(3) Intentional destruction of state property valued in excess of fifty dollars ($50); falsification of a significant record or document; possession of escape tools without permission; or manufacture or sale of intoxicants. Activities specified in paragraph (1) may result in a maximum denial of good behavior credit of 45 days for each such prohibited activity. Activities specified in paragraph (2) may result in a maximum denial of good behavior credit of 30 days for each such prohibited activity. Activities specified in paragraph (3) may result in a maximum denial of good behavior credit of 15 days for each such prohibited activity. Nothing in this section shall prevent the Department of Corrections from seeking criminal prosecution for violations of law.

(c) One of the four months reduction shall be based solely upon participation in work, educational, vocational, therapeutic or other prison activities as specified in such document. Failure to succeed after demonstrating a reasonable effort in the specified activity shall not result in loss of participation credit. Failure to participate in the specified activities can result in a maximum loss of credit of 30 days. However, those confined either by choice or due to behavior problems so as to be unable to participate in any activities, in no instance shall be denied the credit because of physical inability to participate.

SEC. 5. Section 3000 of the Penal Code, as added by Chapter 1139 of the Statutes of 1976, is amended to read:

3000. Notwithstanding any provision to the contrary in Article 3 (commencing with Section 3040) of this chapter:

(a) At the expiration of a term of imprisonment imposed pursuant to Section 1170, or at the expiration of such term as reduced pursuant to Section 2931, if applicable, the inmate shall be released on parole for a period not exceeding one year, unless the board for good cause waives parole and discharges the inmate from custody of the department.

(b) In the case of any inmate sentenced under Section 1168, the period of parole shall not exceed three years in the case of an inmate imprisoned under a life sentence, and shall not exceed one year in the case of an inmate whose prison sentence does not consist of imprisonment under a life sentence, unless in either case the board for good cause waives parole and discharges the inmate from custody of the department. This subdivision shall be also applicable to inmates sentenced prior to July 1, 1977, to the extent specified in Section 1170.2.

(c) The board shall consider the request of any inmate regarding the length of his parole and the conditions thereof.

(d) Upon successful completion of parole, or at the end of the maximum statutory period of parole specified for the inmate under subdivision (a) or (b), as the case may be, whichever is earlier, the inmate shall be discharged from custody. The date of the maximum statutory period of parole under this subdivision and subdivisions (a) and (b) shall be computed from the date of initial parole, and shall be a period chronologically determined, without interruption, whether or not parole has been revoked and the inmate has been sentenced under Section 3057. If a prisoner absconds during the period of parole the running of such period shall be suspended until the prisoner is located and returned.

(e) It is not the intent of this section to diminish resources presently allocated to the Department of Corrections for parole functions.

SEC. 6. Section 3025 of the Penal Code, as amended by Chapter 1139 of the Statutes of 1976, is amended to read:

3025. The provisions of this article apply to all prisoners serving sentence in the state prisons on July 1, 1977, and to all prisoners received in such prisons on or after July 1, 1977, whose terms of imprisonment are fixed pursuant to Section 1168.

SEC. 7. Section 3065 of the Penal Code, as amended by Chapter 1139 of the Statutes of 1976, is amended to read:

3065. Except as otherwise provided in Section 1170.2 and Article 1 (commencing with Section 3000) of this chapter, the provisions of this article are to apply to all prisoners serving sentence in the state prisons on July 1, 1977, to the end that at all times the same provisions relating to sentence, imprisonments and paroles of prisoners shall apply to all the inmates thereof.

SEC. 8. Section 5075 of the Penal Code, as amended by Chapter 1139 of the Statutes of 1976, is amended to read:

5075. The Community Release Board shall be composed of nine members, each of whom shall be appointed by the Governor, with the advice and consent of the Senate, for a term of four years and until the appointment and qualification of his successor. Members shall be eligible for reappointment. Two of the original appointees shall be persons who were members of the Adult Authority immediately prior to July 1, 1977, and two shall be persons who were members of the Womens Board of Terms and Parole immediately prior to July 1, 1977.

The chairman of the board shall be designated by the Governor from time to time. The chairman shall be the administrative head of the board and shall exercise all duties and functions necessary to insure that the responsibilities of the board are successfully discharged. He shall be the appointing authority for all civil service positions of employment in the board.

The terms of the members shall expire as follows: two on March 15, 1978, two on March 15, 1979, two on March 15, 1980, and three on March 15, 1981. Successor members shall hold office for terms of four years, each term to commence on the expiraton date of the term of the predecessor. The Governor shall fill every vacancy for the balance of the unexpired term. The selection of persons and their appointment by the Governor and confirmation by the Senate shall reflect as nearly as possible a cross-section of the racial, sexual, economic, and geographic features of the population of the state.

It is the further intent of this section that the board shall adopt such policies and practices as will permit continuing operations and improvements without any further increase in the number of its members.

SEC. 9. This act shall become operative on July 1, 1977.

SEC. 10. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

There is a possible ambiguity in these sections of the Penal Code which, though effective January 1, 1977, are not intended to be operative until July 1, 1977, under Section 351.5 of Chapter 1139 of the Statutes of 1976 and therefore, in order to clarify the intent of Chapter 1139 of the Statutes of 1976, it is necessary that the provisions of this act go into immediate effect.

CHAPTER 3

An act to amend Sections 6, 8, and 10 of Chapter 1256 of the Statutes of 1976, relating to the disposal of real property by the Director of General Services, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor January 17, 1977. Filed with Secretary of State January 18, 1977.]

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

SECTION 1. Section 6 of Chapter 1256 of the Statutes of 1976 is amended to read:

Sec. 6. Any lease or purchase option consummated prior to December 31, 1977, shall remain in effect for the term of such agreement; however, no such agreement shall extend beyond January 1, 1983.

SEC. 2. Section 8 of Chapter 1256 of the Statutes of 1976 is amended to read:

Sec. 8. In the event the Director of General Services does not enter into an agreement to sell, lease, or option to purchase these parcels with the United States government prior to December 31, 1977, the director shall, with respect to parcel 1 of Section 4, negotiate for a one-year period to sell such parcel to local public entities with the objective that the parcel be utilized for recreational purposes or remain undeveloped open space. Upon the termination of that one-year negotiation period, the director may, subject to the conditions contained in Section 4 of this act, sell the property comprising parcel 1.

SEC. 3. Section 10 of Chapter 1256 of the Statutes of 1976 is amended to read:

Sec. 10. The provisions of this act shall have no force or effect on or after December 31,1977, with respect to parcel 2 of Section 4, unless a later enacted statute, which is chaptered before December 31,1977, deletes or extends such date.

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

The provisions of Chapter 1256 of the Statutes of 1976 do not grant sufficient time for the Director of General Services to negotiate a contract with respect to the disposition of specified property which is the subject of the chapter.

CHAPTER 4

An act to amend Section 8710 of the Elections Code, relating to elections, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor January 21, 1977. Filed with Secretary of State January 22, 1977]

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

SECTION 1. Section 8710 of the Elections Code is amended to read:

8710. This committee shall convene at Sacramento at 10 o'clock a.m. of the last Sunday in January after a general election.

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

In order to apply to the 1977 meeting of the Democratic state central committee, it is necessary that this act take effect immediately.

CHAPTER 5

An act relating to air pollution, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 12, 1977 Filed with Secretary of State February 14, 1977.]

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

SECTION 1. The sum of two million nine hundred thirty-one thousand dollars ($2,931,000) is hereby appropriated from the General Fund to the Department of Finance for disbursement to the South Coast Air Quality Management District, in five equal installments on February 1, March 1, April 1, May 1, and June 1, 1977, for expenditure by the district for the purposes of Chapter 5.5 (commencing with Section 40400) of Part 3 of Division 26 of the Health and Safety Code.

SEC. 2. (a) Any county that, before March 1, 1977, has not paid its apportionment for the 1976–77 fiscal year, in full, to the South Coast Air Quality Management District pursuant to Article 7 (commencing with Section 40520) of Chapter 5.5 of Part 3 of Division 26 of the Health and Safety Code shall be liable to the state for (1) reimbursement of any amount disbursed from the funds appropriated by this act that represents the unpaid portion of its apportionment and (2) payment of interest on such amount at a rate that is equal to the prevailing rate of return on moneys in the Pooled Money Investment Account.

(b) With respect to any county subject to this section that, on July 1, 1977, has not reimbursed the state the amount disbursed from the funds appropriated by this act for the purpose of paying its unpaid apportionment, the Director of Finance shall order that a sum equal to such amount be withheld from revenues collected by the state for that county pursuant to its sales and use tax ordinance and shall cause that sum to be deposited in the General Fund. With respect to any county subject to this section that, on July 1, 1977, has not paid the

state interest on the amount disbursed from funds appropriated by this act, the director shall order that a sum as interest on such amount, which shall be calculated at the rate of return on moneys in the Pooled Money Investment Account prevailing on July 1, 1977, be withheld from revenues collected by the state for that county pursuant to its sales and use tax ordinance and shall cause that sum to be deposited in the General Fund.

SEC. 3. In the event that any previously unpaid apportionment for the 1976–77 fiscal year is received by the South Coast Air Quality Management District after February 1, 1977, the Department of Finance shall reduce the disbursements to be made pursuant to Section 1 by the amount of the apportionment received by the district. In the event that any previously unpaid apportionment for the 1976–77 fiscal year is received by the district on the same day that it receives an installment of funds disbursed pursuant to Section 1, the district shall immediately reimburse the Department of Finance by the amount of the apportionment received or the amount of the installment, whichever is less. In the event that any previously unpaid apportionment for the 1976–77 fiscal year is received by the district and the sum of the apportionment and all funds disbursed pursuant to Section 1 to that time exceeds two million nine hundred thirty-one thousand dollars ($2,931,000), the district shall immediately reimburse the Department of Finance the amount of such sum that is in excess of two million nine hundred thirty-one thousand dollars ($2,931,000), which amount shall be deposited in the General Fund.

SEC. 4. If any county reimburses the state prior to July 1, 1977, any sum for any amount disbursed pursuant to Section 1, the Director of Finance shall cause that amount to be deposited in the General Fund. If any such reimbursement is made on or after March 1, 1977, it shall be accompanied by a sum as interest on the amount reimbursed, which shall be calculated at the rate of return on moneys in the Pooled Money Investment Account prevailing on the date such reimbursement is made and which shall be caused to be deposited in the General Fund by the director.

SEC. 5. The Director of Finance, the State Controller, and the State Board of Equalization are hereby authorized to perform any acts necessary to implement the provisions of this act.

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

Funds for financing the operations of the South Coast Air Quality Management District may not be available on February 1, 1977, when the district is required by law to commence operations. Without adequate financing, employees of the district will have to be laid off on February 1, 1977, thus aggravating unemployment; and there will be no agency for the control of air pollution in the region to be served by the district, thus adversely affecting the health and

welfare of the inhabitants of the region. Therefore, it is imperative that this act take effect immediately.

CHAPTER 6

An act to amend Section 5625 of the Public Resources Code, relating to parks, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 24, 1977. Filed with Secretary of State February 25, 1977.]

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

SECTION 1. Section 5625 of the Public Resources Code is amended to read:

5625. (a) Annual grants may be made to cities, counties, and districts for recreational purposes or open-space purposes, or both, on the basis of population and need, as specified in this chapter. The director shall, by regulation, specify the procedures to be followed in applying for grant funds. The director shall propose criteria for determining priority of need, conduct public hearings on such proposed criteria, and, following such hearings, shall submit such proposed criteria to the Legislature on or before November 30, 1976, for its approval by statute within 60 days of submission of the criteria. Any new, revised, or amended criterion or any criterion to be deleted shall be submitted to the Legislature for its approval by statute. Following such legislative approval, the director shall establish such criteria and publish them in the California Administrative Code. The criteria, and any change thereof, shall be distributed in any convenient form to potential applicants.

(b) The director shall, by regulation, require the recipient of a grant under this chapter to submit periodic reports to the department with respect to its use of the grant. The grant recipient shall agree, as a condition to the receipt of the grant, to submit such periodic status reports as the department may require, but in no event shall the department require reports to be submitted more frequently than on a semiannual basis. All projects for which a grant is received shall be subject to state audit.

SEC. 2. The criteria submitted to the Legislature pursuant to Section 5625 of the Public Resources Code in the document entitled "Revised Program Criteria for the Roberti-Z'berg Urban Open-Space and Recreation Program" and dated December 29, 1976, are hereby approved asset forth in that document.

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

Inasmuch as the criteria submitted pursuant to Section 5625 of the Public Resources Code are required to be approved by the Legislature within 60 days of their submission on or before November 30, 1976, it is necessary that this act take effect immediately.

CHAPTER 7

An act to add Section 349.4 to, and to repeal Section 349.3 of, the Code of Civil Procedure, relating to validation of proceedings, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 4, 1977. Filed with Secretary of State March 4, 1977.]

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

SECTION 1. Section 349.3 of the Code of Civil Procedure is repealed.

SEC. 2. Section 349.4 is added to the Code of Civil Procedure, to read:

349.4. All acts and proceedings heretofore or hereafter taken under color of law for the formation, organization or incorporation of, or for any change in the territorial boundaries of, any city, county, city and county, special district, public corporation or other public entity, or improvement district, annexed area or zone within any of the foregoing, and for the authorization, issuance, sale, or exchange of bonds of the entity or the territory thereof may be confirmed, validated, and declared legally effective in the manner provided in this section.

The legislative body of the entity may instruct its clerk or secretary to mail a notice to all owners of property within the entity, within the improvement district or zone, or within the annexed area, as the case may be, as their names and addresses appear on the last equalized county assessment roll, or as known to the clerk or secretary. Such notice shall include the name of the entity, the date the entity or the zone or improvement district therein was ordered formed or its territory changed by annexation or otherwise, as the case may be, the amount of bonds authorized, if any, and a statement that commencing with the date of mailing of said notice there shall be a 60-calendar-day period during which period any property owner may file an action contesting the validity of the formation of the entity, or of such improvement district or zone, or of such change of boundaries by annexation or otherwise, as the case may be, or the validity of the bond authorization, if any. The clerk or secretary shall make and file with the legislative body of the entity a certificate of mailing of the notices. The legislative body of the entity may order the clerk or secretary to include in such notice such other additional

information that it deems pertinent.

If no action is filed during such 60-day period, the formation of the entity or of such improvement district or zone, or the change of boundaries by annexation or otherwise, as the case may be, and the bond authorization, if any, are valid and uncontestable.

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

Among other things, Chapter 1281 of the Statutes of 1976 repealed Section 349.4 of the Code of Civil Procedure. In order to correct the inadvertent error made in repealing Section 349.4 and to prevent unnecessary confusion in the operation of local governmental entities, it is necessary that this act take effect immediately.

CHAPTER 8

An act relating to the San Juan Ridge Union Elementary School District, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 4, 1977. Filed with Secretary of State March 4, 1977.]

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

SECTION 1. The San Juan Ridge Union Elementary School District recently built and occupied a new elementary school to replace other schools which did not meet Field Act standards. The new school served approximately 200 elementary school pupils of the district. In February of 1977 the new school was completely destroyed by fire, leaving pupils of the district with no school to attend for the remainder of the 1976–77 school year.

The governing board of the district has considered various alternative means of educating the pupils during this emergency, including transporting them to schools of other districts. However, due to the long distances involved and the mountainous terrain of the area, the only feasible alternative is to temporarily house pupils in other school buildings until replacement facilities may be built.

SEC. 2. The San Juan Ridge Union Elementary School District is hereby authorized to house pupils in the North San Juan Elementary School and the Birchwell Elementary School, and during the period of temporary use those schools shall not be subject to any of the provisions of Article 4 (commencing with Section 15451) and Article 5 (commencing with Section 15501) of Chapter 2 of Division 11 of the Education Code, and Article 3 (commencing with Section 39140) and Article 6 (commencing with Section 39210) of Part 23 of the Education Code as recodified by Chapters 1010 and 1011 of the

Statutes of 1976. The exemption provided by this section shall remain in effect until June 30, 1978.

SEC. 3. Pupils of the San Juan Ridge Union Elementary School District who were absent from school as a direct consequence of the fire which destroyed the district's elementary school shall be counted as having been in attendance for purposes of computing state apportionments based upon average daily attendance.

SEC. 4. Due to unique circumstances which have precipitated an emergency in a particular small rural school district, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

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

In order to enable the governing board of the San Juan Ridge Union Elementary School District to meet a crisis caused by the destruction by fire of the districts elementary school and provide temporary school facilities for the education of pupils for the remainder of the current school year, it is essential that this act go into immediate effect.

CHAPTER 9

An act to amend Section 3 of Chapter 865 of the Statutes of 1976, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor March 14, 1977. Filed with Secretary of State March 14, 1977.]

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

SECTION 1. Section 3 of Chapter 865 of the Statutes of 1976 is amended to read:

Sec. 3. This act is a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect. However, the provisions of this act shall be applied with respect to taxable years beginning on or after January 1, 1977.

SEC. 2. The Legislature hereby finds and declares that because of inadvertency certain activities of nonprofit organizations may result in their incurring an unintended tax liability.

The Legislature further finds and declares that it is the purpose and intent of this act to postpone the operation of Chapter 865 of the Statutes of 1976. This will allow the Legislature to review the entire subject matter of Chapter 865 in accordance with its original intent and the state as a whole will benefit thereby.

SEC. 3. This act provides for a tax levy within the meaning of

Article IV of the Constitution and shall go into immediate effect.

CHAPTER 10

An act to amend Section 4205 of the Civil Code, relating to civil marriages, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 19, 1977. Filed with Secretary of State March 21, 1977.]

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

SECTION 1. Section 4205 of the Civil Code is amended to read:

4205. Marriage may be solemnized by any judge or retired judge, commissioner or retired commissioner, or assistant commissioner of a court of record or justice court in this state or by any priest, minister, or rabbi of any religious denomination, of the age of 18 years or over or by a person authorized to do so under Section 4205.1.

A marriage may also be solemnized by a judge who has resigned from office.

SEC. 2. The amendment of Section 4205 of the Civil Code made by this act does not constitute a change in, but is declaratory of, the existing law.

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

Retired commissioners of courts of record have been retained by courts of record to continue their service after retirement and have solemnized marriages. In order that the validity of such marriages and related questions may be put to rest and at the earliest possible time, it is necessary that this act take effect as an urgency statute.

CHAPTER 11

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

[Approved by Governor March 19, 1977. Filed with Secretary of State March 21, 1977.]

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

SECTION 1. Section 19614.1 of the Business and Professions Code is amended to read:

19614.1. Notwithstanding Section 19614, any association other than the California State Fair and Exposition or a district or county fair which handles thirty million dollars ($30,000,000) or less in the parimutuel pools operated by it during the course of a racing meeting shall be exempt from the requirements of Sections 19611, 19612, and subdivisions (c) and (d) of Section 19615.

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

This section shall remain in effect until September 1, 1977, and on such date is repealed.

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

Small racing associations, faced with a substantial state license fee increase effective March 1, 1977, may cancel or be unable to conduct their race meetings. As a result, state horseracing revenues could decrease by as much as three million dollars ($3,000,000) and unemployment within the horseracing industry could increase significantly. It is, therefore, necessary that this act take effect immediately.

CHAPTER 12

An act to amend Section 1005.4 of the Water Code, relating to ground water use, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 19, 1977. Filed with Secretary of State March 21, 1977.]

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

SECTION 1. Section 1005.4 of the Water Code is amended to read:

1005.4. Cessation of or reduction in the extraction of ground water, to permit the replenishment of such ground water by the use of water from an alternate nontributary source, is hereby declared to be a reasonable beneficial use of the ground water to the extent and in the amount that water from such alternate source is applied to beneficial use, not exceeding, however, the amount of such reduction. No lapse, reduction or loss of any right in ground water, shall occur under such conditions. Any such user of water from an

alternate source who seeks the benefit of this section with respect to the use of such water occurring prior to October 1, 1981, shall file with the board, on or before December 31, 1981, a statement of the amounts of reduction in the extraction of ground water as the result of water from such alternate source having been so applied to reasonable beneficial use prior to October 1, 1981, to permit the replenishment of such ground water and said amounts shall be segregated and shown for each water year (October 1st to September 30th) during which such use occurred prior to October 1, 1981. Any such user of water from an alternate source who seeks the benefit of this section with respect to the use of such water occurring subsequent to October 1, 1981, shall file with the board, on or before December 31st of each calendar year, a statement of the amount of reduction in the extraction of ground water as the result of water from the alternate source having been so applied to reasonable beneficial use during the next preceding water year (October 1st to September 30th) to permit the replenishment of such ground water. Such user cannot claim the benefit of this section for any period or water year for which such statement is not so filed.

The provisions of this section apply only as to the cessation of, or reduction in, the extraction of ground water within that area in this state defined by the exterior boundaries of every county, except the Counties of San Luis Obispo, Santa Barbara, Ventura, Los Angeles, Orange, San Diego, Imperial, Riverside, and San Bernardino.

The term "nontributary source," as used in this section, shall be deemed to include water imported from another watershed or water conserved and saved in the watershed by a water conservation plan or works without which such water of the same watershed would have wasted, or would not have reached the underground source of supply of the owner relying upon this section.

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

Those persons required to file a statement of the amount of reduction in the extraction of ground water are unable to produce records of such extractions within the time limit specified. It is necessary, therefore, to extend such period for five years to allow compliance. In order, therefore, for this act to go into effect prior to the date on which such compliance is presently required, it is necessary that this act go into immediate effect.

CHAPTER 13

An act to amend Sections 3207 and 3208 of, and to add Sections 3206 and 3208.5 to, the Public Resources Code, relating to oil and gas wells, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 19, 1977. Filed with Secretary of State March 21, 1977.]

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

SECTION 1. Section 3206 is added to the Public Resources Code, to read:

3206. Any individual or blanket indemnity bond issued in compliance with this chapter before January 1, 1978, may, with the consent of the supervisor, be terminated and canceled and the surety may be relieved of all obligations thereunder when the well or wells covered by such bond have been properly completed or abandoned or when another valid bond has been substituted therefor. Should the person who has filed a blanket bond properly complete or abandon a portion of his wells covered by the bond, the bond may, with the consent of the supervisor, be terminated and canceled and the surety may be relieved of all obligations thereunder upon the filing by such person of an individual bond for each well which is still producing or which he is still engaged in drilling, redrilling, deepening, or permanently altering. Liability as to individual wells that have been drilled and completed or abandoned under a blanket bond may also be terminated with the consent of the supervisor.

SEC. 2. Section 3207 of the Public Resources Code is amended to read:

3207. Any individual or blanket indemnity bond issued in compliance with this chapter on or after January 1, 1978, may, with the consent of the supervisor, be terminated and canceled and the surety may be relieved of all obligations thereunder when the well or wells covered by such bond have been properly abandoned or when another valid bond has been substituted therefor. Should the person who has filed a blanket bond properly abandon a portion of his wells covered by the bond, the bond may, with the consent of the supervisor, be terminated and canceled and the surety may be relieved of all obligations thereunder upon the filing by such person of an individual bond for each well which is still producing or which he is still engaged in drilling, redrilling, deepening, or permanently altering. Liability as to individual wells that have been drilled and abandoned under a blanket bond may also be terminated with the consent of the supervisor.

SEC. 3. Section 3208 of the Public Resources Code is amended to read:

3208. For the purposes of Sections 3206 and 3207, a well is properly abandoned when it has been shown to the satisfaction of the

supervisor that all proper steps have been taken to shut off and exclude all water from oil-bearing or gas-bearing strata encountered in the well, and to protect underground or surface water suitable for irrigation or farm or domestic purposes from the infiltration or addition of any detrimental substance and to prevent subsequent damage to life, health, property, and other resources.

SEC. 4. Section 3208.5 is added to the Public Resources Code, to read:

3208.5. For the purposes of Section 3206, a well is properly completed when it has been completed to production of oil or gas and the person engaged in the drilling, redrilling, deepening, or in any operation permanently altering in any manner the casing, of any well has shown to the satisfaction of the supervisor that both the manner of drilling, redrilling, or deepening, or any operation permanently altering the casing, of the well and the manner of producing oil or gas therefrom are satisfactory.

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

The production of oil and gas in California is necessary to sustain essential social and economic activities that depend upon this resource and the income produced by it. Many established oil and gas well operators have been unable to obtain from surety companies the indemnity bonds required by law that became effective on January 1, 1977. Therefore, it is necessary that this act take effect immediately.

CHAPTER 14

An act making an appropriation for the use and support of the State Controller, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 25, 1977. Filed with Secretary of State March 25, 1977.]

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

SECTION 1. The sum of four hundred twenty-eight thousand nine hundred fifty dollars ($428,950), which is in addition to any sums heretofore appropriated, or as much thereof as may be necessary, is hereby appropriated from the General Fund for the use and support of the State Controller in accordance with the following schedule:

(1) During the fiscal year 1976–77 for unbudgeted rent and moving costs ..... $111,160.

(2) During the 1976–77 and 1977–78 fiscal years, for remodeling the Veteran's Affairs Building ..... $317,790.

Funds appropriated pursuant to this act for remodeling shall be subject to Chapter 3 (commencing with Section 14250) of Part 5 of Division 3 of Title 2 of the Government Code and may not be expended without prior approval of the State Public Works Board.

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

This act makes appropriations for the support of the State Controller in 1976–77 and provides for capital outlay to continue existing programs and support the operation of state government, and it is therefore necessary that this act take immediate effect.

CHAPTER 15

An act to amend Sections 5605.15 and 5605.16 of the Education Code, and to amend Sections 37065.4 and 37065.5 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, and to amend Section 3 of Chapter 1254 of the Statutes of 1976, relating to junior high schools, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 25, 1977. Filed with Secretary of State March 25, 1977.]

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

SECTION 1. Section 5605.15 of the Education Code is amended to read:

5605.15. (a) A high school district maintaining a junior high school program in which 7th and 8th grade pupils from all of the elementary school districts situated within the high school district attend the junior high school and in which the assessed valuation per pupil in one of the elementary districts is more than five times that of the average of the other elementary school districts, shall add an amount to the high school tax rate sufficient to provide the same amount of revenue as that provided by the sum of the tuition charges determined pursuant to Sections 5605 and 5605.1 from all elementary school districts situated within the high school district, and shall substitute this source of revenue for the tuition charges to the elementary school districts as specified in Section 5605.2.

(b) The fiscal year during which a successful election is held shall be the base year for the junior high school tuition for computational purposes.

(c) The county superintendent of schools shall compute the tuition charge for the base fiscal year provided in subdivision (b) pursuant to Section 5605 which shall be the junior high school revenue limit for the high school district.

(d) For the fiscal year following the election and fiscal years thereafter, the junior high school revenue limit shall be increased in an amount equal to the increase for the high school district's revenue limit per average daily attendance as computed pursuant to subdivisions (f) and (g) of Section 20905 for the current year.

(e) The secured tax levy requirement shall be computed as follows:

(1) The amount computed under subdivision (d) shall be multiplied by the estimated average daily attendance for grades 7 and 8.

(2) The amount computed under paragraph (1) of this subdivision shall be reduced by the estimated state apportionment transferred pursuant to Section 17411.

(f) Whenever the computation required by this section results, because of estimating error, in a total income limit in an amount more or less than actual data would have produced, the revenue limit for the succeeding fiscal year shall be reduced a like amount if the total produced was more, and may be increased by such amount if the total produced was less.

(g) The provisions of this section shall be applicable only to high school districts with an average daily attendance of 2,000 or less, at the time of the election, exclusive of average daily attendance of pupils in the 7th and 8th grades and shall be applicable only if a majority of the electors of such districts voting at an election approve of a proposition providing for the computations required by this section. The election shall be held as nearly as practicable according to the provisions of Section 20803.2.

SEC. 2. Section 5605.16 of the Education Code is amended to read:

5605.16. The revenue limit of any elementary school district situated within a high school district with an average daily attendance of 2,000 or less, at the time of the election, exclusive of average daily attendance of pupils in the 7th and 8th grades, shall be increased or decreased by the amount necessary to provide the amount of money per average daily attendance in kindergarten through grade 6 as was available to the district prior to the establishment of a separate revenue limit for a junior high school as computed pursuant to Section 5605.15. Such rate shall be computed by the county superintendent of schools for the fiscal year during which a successful election is held and shall, for computational purposes, be the fiscal year for which the base revenue of the elementary school district is computed.

For the fiscal year following the election and fiscal years thereafter, the base revenue established pursuant to this section shall be adjusted annually pursuant to subdivisions (f) and (g) of Section 20905.

SEC. 3. Section 37065.4 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

37065.4. (a) A high school district maintaining a junior high school program in which 7th and 8th grade pupils from all of the elementary

school districts situated within the high school district attend the junior high school and in which the assessed valuation per pupil in one of the elementary districts is more than five times that of the average of the other elementary school districts, shall add an amount to the high school tax rate sufficient to provide the same amount of revenue as that provided by the sum of the tuition charges determined pursuant to Sections 37062 and 37063 from all elementary school districts situated within the high school district, and shall substitute this source of revenue for the tuition charges to the elementary school districts as specified in Section 37064.

(b) The fiscal year during which a successful election is heldshall be the base year for the junior high school tuition for computational purposes.

(c) The county superintendent of schools shall compute the tuition charge for the base fiscal year provided in subdivision (b) pursuant to Section 37062 which shall be the junior high school revenue limit for the high school district.

(d) For the fiscal year following the election and fiscal years thereafter, the junior high school revenue limit shall be increased in an amount equal to the increase for the high school district's revenue limit per average daily attendance as computed pursuant to subdivisions (f) and (g) of Section 42238 for the current year.

(e) The secured tax levy requirement shall be computed as follows:

(1) The amount computed under subdivision (d) shall be multiplied by the estimated average daily attendance for grades 7 and 8.

(2) The amount computed under paragraph (1) of this subdivision shall be reduced by the estimated state apportionment transferred pursuant to Section 41338.

(f) Whenever the computation required by this section results, because of estimating error, in a total income limit in an amount more or less than actual data would have produced, the revenue limit for the succeeding fiscal year shall be reduced a like amount if the total produced was more, and may be increased by such amount if the total produced was less.

(g) The provisions of this section shall be applicable only to high school districts with an average daily attendance of 2,000 or less, at the time of the election, exclusive of average daily attendance of pupils in the 7th and 8th grades and shall be applicable only if a majority of the electors of such districts voting at an election approve of a proposition providing for the computations required by this section. The election shall be held as nearly as practicable according to the provisions of Section 42202.

SEC. 4. Section 37065.5 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

37065.5. The revenue limit of any elementary school district situated within a high school district with an average daily attendance of 2,000 or less, at the time of the election, exclusive of

average daily attendance of pupils in the 7th and 8th grades, shall be increased or decreased by the amount necessary to provide the amount of money per average daily attendance in kindergarten through grade 6 as was available to the district prior to the establishment of a separate revenue limit for a junior high school as computed pursuant to Section 37065.4. Such rate shall be computed by the county superintendent of schools for the fiscal year during which a successful election is held and shall, for computational purposes, be the fiscal year for which the base revenue of the elementary school district is computed.

For the fiscal year following the election and fiscal years thereafter, the base revenue established pursuant to this section shall be adjusted annually pursuant to subdivisions (f) and (g) of Section 42238.

SEC. 5. Section 3 of Chapter 1254 of the Statutes of 1976 is amended to read:

Sec. 3. The governing board of a high school district described in subdivision (a) of Section 37065.4 of the Education Code shall order and conduct an election upon the proposition of whether or not the computation required by Section 37065.4 shall be made applicable in the district. Notwithstanding Sections 2502 and 2503 of the Elections Code, such election may be held at a date other than a regular election date established pursuant to Section 2500 of the Elections Code for the 1977 calendar year only.

The election shall be held and conducted as nearly as practicable in accordance with the provisions of Section 42202 of the Education Code, except that the proposition shall be phrased in substantially the following terms: "Shall the maximum tax rate of the _____ High School District be increased by an amount sufficient to provide the same amount of revenue that the district derives from tuition charges paid by the elementary schools within it and shall the maximum tax rates of such elementary school districts be correspondingly reduced, in accordance with the provisions of Sections 37065.4 and 37065.5 of the Education Code?" Opposite such words, in separate lines, the words "Yes" and "No" shall be printed, with a voting square opposite each such word.

The election date shall be set by the governing board of the school district calling the election.

SEC. 6. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because this act is in accordance with the request of a local government entity which desired legislative authority to act to carry out the program specified in this act.

SEC. 7. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to permit the voters to make the determination

authorized by this act at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 16

An act to amend Section 40300.5 of the Vehicle Code, relating to traffic offenses.

[Approved by Governor March 25, 1977. Filed with Secretary of State March 25, 1977.]

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

SECTION 1. Section 40300.5 of the Vehicle Code is amended to read:

40300.5. Notwithstanding any other provision of law, a peace officer may, without a warrant, arrest a person involved in a traffic accident when the officer has reasonable cause to believe that such person had been driving while under the influence of intoxicating liquor or any drug, or under the combined influence of intoxicating liquor and any drug.

CHAPTER 17

An act to add Sections 11743 and 11758.1 to, to repeal and add Sections 108.1 and 11720 of, and to repeal and add Article 2.5 (commencing with Section 11590) of Chapter 1 of Part 3 of Division 2 of, the Insurance Code, and to amend Sections 3708, 3715, 3716, and 5307.1 of, to add Sections 3355, 3356, and 4156 to, and to repeal and add Sections 3351, 3352, 3354, 3713, 4453, 4453.1, 5500.5, and 5500.6 of, the Labor Code, relating to workers' compensation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 25, 1977. Filed with Secretary of State March 25, 1977.]

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

SECTION 1. Section 108.1 of the Insurance Code is repealed.

SEC. 2. Article 2.5 (commencing with Section 11590) of Chapter 1 of Part 3 of Division 2 of the Insurance Code is repealed.

SEC. 3. Section 11720 of the Insurance Code is repealed.

SEC. 4. Section 3351 of the Labor Code is repealed.

SEC. 5. Section 3352 of the Labor Code is repealed.

SEC. 6. Section 3354 of the Labor Code is repealed.

SEC. 7. Section 3713 of the Labor Code is repealed.

SEC. 8. Section 4453 of the Labor Code is repealed.

SEC. 9. Section 4453.1 of the Labor Code is repealed.

SEC. 10. Section 5500.5 of the Labor Code is repealed.

SEC. 11. Section 5500.6 of the Labor Code is repealed.

SEC. 12. Section 108.1 is added to the Insurance Code, to read:

108.1. Insurers admitted to transact liability insurance are also deemed to be admitted to transact workers' compensation insurance for the purpose of covering those persons defined as employees by subdivision (d) of Section 3351 of the Labor Code.

SEC. 13. Article 2.5 (commencing with Section 11590) is added to Chapter 1 of Part 3 of Division 2 of the Insurance Code, to read:

Article 2.5. Personal Liability Insurance Providing Workers' Compensation Coverage for Household Employees

11590. Except as provided in Section 11591, no policy providing comprehensive personal liability insurance may be issued or renewed in this state on or after January 1, 1977, unless it contains a provision for coverage against liability for the payment of compensation, as defined in Section 3207 of the Labor Code, to any person defined as an employee by subdivision (d) of Section 3351 of the Labor Code. Any such policy in effect on or after January 1, 1977, whether or not actually containing such provisions, shall be construed as if such provisions were embodied therein. However, such coverage shall not apply if any other existing, valid and collectible, workers' compensation insurance for such liability is applicable to the injury or death of such employee.

11591. The requirements of Section 11590 shall be inapplicable to any such policy of insurance or endorsement where the services of such employee are in connection with the trade, business, profession, or occupation, as such terms are defined in Sections 3355 and 3356 of the Labor Code, of the insured.

11592. Notwithstanding the provisions of subdivision (f) of Section 1851, the rates, classifications, and rating systems for the workers' compensation insurance covering those persons defined as employees by subdivision (d) of Section 3351 of the Labor Code, and the insurers issuing such insurance coverage, shall be subject to the provisions of Chapter 9 (commencing with Section 1850) of Part 2 of Division 1.

SEC. 14. Section 11720 is added to the Insurance Code, to read:

11720. The provisions of this article shall not apply to workers' compensation insurance covering those persons defined as employees by subdivision (d) of Section 3351 of the Labor Code.

SEC. 15. Section 11743 is added to the Insurance Code, to read:

11743. The provisions of this article shall not apply to any rate, classification, or system of rating for the workers' compensation insurance covering those persons defined as employees by subdivision (d) of Section 3351 of the Labor Code, nor to the extent of such coverage, to any insurer providing such coverage.

SEC. 16. Section 11758.1 is added to the Insurance Code, to read:

11758.1. The provisions of this article shall not apply to the workers' compensation insurance covering those persons defined as employees by subdivision (d) of Section 3351 of the Labor Code.

SEC. 17. Section 3351 is added to the Labor Code, to read:

3351. "Employee" means every person in the service of an employer under any appointment or contract of hire or apprenticeship, express or implied, oral or written, whether lawfully or unlawfully employed, and includes:

(a) Aliens and minors.

(b) All elected and appointed paid public officers.

(c) All officers and members of boards of directors of quasi-public or private corporations while rendering actual service for such corporations for pay; provided that, where the officers and directors of any such private corporation are the sole shareholders thereof, the corporation and such officers and directors shall come under the compensation provisions of this division only by election as provided in subdivision (a) of Section 4151.

(d) Except as provided in subdivision (h) of Section 3352, any person employed by the owner or occupant of a residential dwelling whose duties are incidental to the ownership, maintenance, or use of the dwelling, including the care and supervision of children, or whose duties are personal and not in the course of the trade, business, profession, or occupation of such owner or occupant.

(e) All persons incarcerated in a state penal or correctional institution while engaged in assigned work.

SEC. 18. Section 3352 is added to the Labor Code, to read:

3352. "Employee" excludes:

(a) Any person defined in subdivision (d) of Section 3351 who is employed by his parent, spouse, or child.

(b) Any person performing services in return for aid or sustenance only, received from any religious, charitable, or relief organization.

(c) Any person holding an appointment as deputy clerk, deputy sheriff, or deputy constable appointed for his own convenience, and who receives no compensation from the county or municipal corporation or from the citizens thereof for his services as such deputy. This exclusion is operative only as to employment by the county or municipal corporation and does not deprive any person so deputized from recourse against a private person employing him for injury occurring in the course of and arising out of such employment.

(d) Any person performing voluntary services at or for a recreational camp, hut or lodge operated by a nonprofit organization, exempt from federal income tax under Section 101(6) of the Internal Revenue Code, of which he or a member of his family is a member and who receives no compensation for such services other than meals, lodging or transportation.

(e) Any person performing voluntary service as a ski patrolman who receives no compensation for such services other than meals or lodging or the use of ski tow or ski lift facilities.

(f) Any person employed by a ski lift operator to work at a snow ski area who is relieved of and not performing any prescribed duties, while participating in recreational activities on his own initiative.

(g) Any person, other than a regular employee, participating in sports or athletics who receives no compensation for such participation other than the use of athletic equipment, uniforms, transportation, travel, meals, lodgings, or other expenses incidental thereto.

(h) Any person defined in subdivision (d) of Section 3351 who was employed by such employer for less than 52 hours during the 90 calendar days immediately preceding the date of the injury for injuries as defined in Section 5411 or during the 90 calendar days immediately preceding the date of the last employment in an occupation exposing the employee to the hazards of such disease or injury for injuries as defined in Section 5412, or who earned less than one hundred dollars ($100) in wages from such employer during the 90 calendar days immediately preceding the date of the injury for injuries as defined in Section 5411 or during the 90 calendar days immediately preceding the date of the last employment in an occupation exposing the employee to the hazards of such disease or injury for injuries as defined in Section 5412.

SEC. 19. Section 3354 is added to the Labor Code, to read:

3354. Employers of employees defined by subdivision (d) of Section 3351 shall not be subject to the provisions of Sections 3710, 3710.1, 3710.2, 3711, 3712, and 3722, or any other penalty provided by law, for failure to secure the payment of compensation for such employees.

This section shall not apply to employers of employees specified in subdivision (b) of Section 3715, with respect to such employees.

SEC. 20. Section 3355 is added to the Labor Code, to read:

3355. As used in subdivision (d) of Section 3351, the term "course of trade, business, profession, or occupation" includes all services tending toward the preservation, maintenance, or operation of the business, business premises, or business property of the employer.

SEC. 21. Section 3356 is added to the Labor Code, to read:

3356. As used in subdivision (d) of Section 3351 and in Section 3355, the term "trade, business, profession, or occupation" includes any undertaking actually engaged in by the employer with some degree of regularity, irrespective of the trade name, articles of incorporation, or principal business of the employer.

SEC. 22. Section 3708 of the Labor Code is amended to read:

3708. In such action it is presumed that the injury to the employee was a direct result and grew out of the negligence of the employer, and the burden of proof is upon the employer, to rebut the presumption of negligence. It is not a defense to the employer that the employee was guilty of contributory negligence, or assumed the risk of the hazard complained of, or that the injury was caused by the negligence of a fellow servant. No contract or regulation shall restore to the employer any of the foregoing defenses.

This section shall not apply to any employer of an employee, as defined in subdivision (d) of Section 3351, with respect to such employee, but shall apply to employers of employees described in subdivision (b) of Section 3715, with respect to such employees.

SEC. 23. Section 3713 is added to the Labor Code, to read:

3713. (a) Every employer subject to the compensation provisions of this code shall post and keep posted in a conspicuous location at his headquarters or at one of his places of employment, as defined in Division 5 (commencing with Section 6300), a notice which shall state the name of the current compensation insurance carrier of such employer, or when such is the fact, that the employer is self-insured.

(b) If the employer is insured by a compensation insurance carrier, the employer shall, in addition to the notice required by subdivision (a), post in the same place a notice showing the expiration date of the current coverage. The employer shall also post with the notice the telephone number of the nearest office of the Labor Commissioner, together with an invitation for any employee to call such number to report the expiration of the employer's coverage.

(c) Failure to keep any notice required by this section conspicuously posted shall constitute a misdemeanor, and shall be prima facie evidence of noninsurance.

(d) This section shall not apply with respect to the employment of employees as defined in subdivision (d) of Section 3351.

SEC. 24. Section 3715 of the Labor Code is amended to read:

3715. (a) Any employee, except an employee as defined in subdivision (d) of Section 3351, whose employer has failed to secure the payment of compensation as required by this division, or his dependents in case death has ensued, may, in lieu of proceedings against his employer by civil action in the courts as provided in Section 3706, file his application with the appeals board for compensation and the appeals board shall hear and determine such application for compensation in like manner as in other claims and shall make such award to such claimant as he would be entitled to receive if such employer had secured the payment of compensation as required, and such employer shall pay such award in the manner and amount fixed thereby or shall furnish to the appeals board a bond, in such an amount and with such sureties as the appeals board requires, to pay such employee such award in the manner and amount fixed thereby.

(b) Notwithstanding this section or any other provision of this article except Section 3708, any person described in subdivision (d) of Section 3351 who is (i) engaged in household domestic service who is employed by one employer for over 52 hours per week, (ii) engaged as a part-time gardener in connection with a private dwelling, if the number of hours devoted to such gardening work for any individual regularly exceeds 44 hours per month, or (iii) engaged in casual employment where the work contemplated is to be completed in not less than 10 working days, without regard to the

number of men employed, and where the total labor cost of such work is not less than one hundred dollars ($100) (which amount shall not include charges other than for personal services), shall be entitled, in lieu of proceedings against his employer by civil action in the courts as provided in Section 3706, to file his application with the appeals board for compensation. The appeals board shall hear and determine such application for compensation in like manner as in other claims, and shall make such award to such claimant as he would be entitled to receive if such person's employer had secured the payment of compensation as required, and such employer shall pay such award in the manner and amount fixed thereby, or shall furnish to the appeals board a bond, in such an amount and with such sureties as the appeals board requires, to pay such employee such award in the manner and amount fixed thereby.

It is the intent of the Legislature that the provisions of this bill make no change in the law as it applied to those types of employees covered by this subdivision prior to the effective date of Chapter 1263 of the 1975 Regular Session.

SEC. 24.5. Section 3716 of the Labor Code is amended to read:

3716. If the employer fails to pay the compensation required by Section 3715 to the person entitled thereto, or fails to furnish the bond required by Section 3715 within a period of 10 days after notification of such award, the award, upon application by the person entitled thereto, shall be paid by the Director of Industrial Relations from the Uninsured Employers Fund, which fund is hereby created in the State Treasury. The money in the Uninsured Employers Fund is hereby continuously appropriated for this purpose and to pay the expenses of the director in administering these provisions. Refunds may be paid from the Uninsured Employers Fund for amounts remitted erroneously to the fund, or the director may authorize offsetting subsequent remittances to the fund.

SEC. 25. Section 4156 is added to the Labor Code, to read:

4156. No liability for compensation shall attach to any employer of a person excluded by subdivision (h) of Section 3352 from the definition of "employee" for an injury to or the death of a person so excluded which occurs on or after the effective date of this section if such employer elected to come under the compensation provisions of this division pursuant to subdivision (a) of Section 4151 prior to the effective date of this section by purchasing or renewing a policy providing comprehensive personal liability insurance containing a provision for coverage against liability for the payment of compensation, as defined in Section 3207 of the Labor Code, to any person defined as an employee by subdivision (d) of Section 3351 of the Labor Code; provided, however, nothing in this section shall prohibit an employer from providing compensation pursuant to the provisions of this chapter.

SEC. 26. Section 4453 is added to the Labor Code, to read:

4453. Except as provided in Section 4453.1, in computing average annual earnings for the purposes of temporary disability indemnity

and permanent total disability indemnity only, the average weekly earnings shall be taken at not less than fifty-two dollars and fifty cents ($52.50) nor more than two hundred thirty-one dollars ($231). In computing average annual earnings for purposes of permanent partial disability indemnity, except as provided in Section 4659, the average weekly earnings shall be taken at not less than forty-five dollars ($45) nor more than one hundred five dollars ($105). Between these limits the average weekly earnings, except as provided in Sections 4456 to 4459, inclusive, shall be arrived at as follows:

(a) Where the employment is for 30 or more hours a week and for five or more working days a week, the average weekly earnings shall be 100 percent of the number of working days a week times the daily earnings at the time of the injury.

(b) Where the employee is working for two or more employers at or about the time of the injury, the average weekly earnings shall be taken as 100 percent of the aggregate of such earnings from all employments computed in terms of one week; but the earnings from employments other than the employment in which the injury occurred shall not be taken at a higher rate than the hourly rate paid at the time of the injury.

(c) If the earnings are at an irregular rate, such as piecework, or on a commission basis, or are specified to be by week, month or other period, then the average weekly earnings mentioned in subdivision (a) above shall be taken as 100 percent of the actual weekly earnings averaged for such period of time, not exceeding one year, as may conveniently be taken to determine an average weekly rate of pay.

(d) Where the employment is for less than 30 hours per week, or where for any reason the foregoing methods of arriving at the average weekly earnings cannot reasonably and fairly be applied, the average weekly earnings shall be taken at 100 percent of the sum which reasonably represents the average weekly earning capacity of the injured employee at the time of his injury, due consideration being given to his actual earnings from all sources and employments.

SEC. 27. Section 4453.1 is added to the Labor Code, to read:

4453.1. In computing average annual earnings for the purposes of temporary disability indemnity, the average weekly earnings for a claimant whose last employment was either (i) as an employee as defined in subdivision (d) of Section 3351, or (ii) as an employee engaged in vending, selling, offering for sale, or delivering directly to the public, any newspaper published at least weekly, shall be taken at not less than the lesser of fifty-two dollars and fifty cents ($52.50), or 1.2 times the employee's actual weekly earnings from all employers, nor more than two hundred thirty-one dollars ($231). Between these limits, the average weekly earnings, except as provided in Sections 4456 to 4459, shall be arrived at as provided in subdivisions (a) through (d), inclusive, of Section 4453.

SEC. 28. Section 5307.1 of the Labor Code is amended to read:

5307.1. The administrative director, after public hearings, shall

adopt and revise, no less frequently than biennially, an official medical fee schedule which shall be prima facie evidence of the reasonableness of fees charged for medical services provided pursuant to this division.

Nothing in this section shall prohibit a medical provider from charging an employer or carrier fees in excess of those set forth on the official medical fee schedule, when reasonable, and accompanied by itemization and explanation; provided, however, that in no event shall a physician charge in excess of his or her usual fee.

In the event of a dispute between the physician and the employer or carrier concerning the medical fees charged, the physician may be allowed a reasonable fee for testimony, if a physician testifies pursuant to the employer's or carrier's subpoena, and the referee determines that the medical fee charged was reasonable.

The official medical fee schedule shall not apply to the costs and expenses authorized under Section 4600 to prove a claim.

SEC. 29. Section 5500.5 is added to the Labor Code, to read:

5500.5. (a) Except as otherwise provided in Section 5500.6, liability for occupational disease or cumulative injury shall be limited to those employers who employed the employee during a period of five years immediately preceding either the date of injury, as determined pursuant to Section 5412, or the last date on which the employee was employed in an occupation exposing him to the hazards of such occupational disease or cumulative injury, whichever occurs first. If, based upon all the evidence presented, the appeals board or referee finds the existence of cumulative injury or occupational disease, liability for such cumulative injury or occupational disease shall not be apportioned to prior years except as provided in subdivision (d); however, in determining such liability, evidence of disability due to specific injury, disability due to nonindustrial causes, or disability previously compensated for by way of a findings and award or order approving compromise and release, or a voluntary payment of disability, may be admissible for purposes of apportionment.

(b) Where a claim for compensation benefits is made on account of an occupational disease or cumulative injury which may have arisen out of more than one employment, the application shall state the names and addresses of all employers liable under subdivision (a), the places of employment, and the approximate periods of employment where the employee was exposed to the hazards of the occupational disease or cumulative injury. If the application is not so prepared or omits necessary and proper employers, any interested party, at or prior to the first hearing, may request the appeals board to join as defendant any necessary or proper party. If such request is made prior to the first hearing on the application, the appeals board shall forthwith join the employer as a party defendant and cause a copy of the application together with a notice of the time and place of hearing to be served upon such omitted employer; provided, such notice can be given within the time specified in this division. If such notice cannot be timely given or if the motion for joinder is

made at the time of the first hearing, then the appeals board or referee before whom the hearing is held, if it is found that the omitted employer named is a necessary or proper party, may order a joinder of such party and continue the hearing so that proper notice may be given to the party or parties so joined. Only one continuance shall be allowed for the purpose of joining additional parties. Subsequent to the first hearing the appeals board shall join as a party defendant any additional employer when it appears that such employer is a proper party, but the liability of such employer shall not be determined until supplemental proceedings are instituted.

(c) In any case involving a claim of occupational disease or cumulative injury occurring as a result of more than one employment within the five-year period set forth in subdivision (a), the employee making the claim, or his dependents, may elect to proceed against any one or more of such employers. Where such an election is made, the employee must successfully prove his claim against any one of the employers named, and any award which the appeals board shall issue awarding compensation benefits shall be a joint and several award as against any two or more employers who may be held liable for compensation benefits. If, during the pendency of any claim wherein the employee or his dependents has made an election to proceed against one or more employers, it should appear that there is another proper party not yet joined, such additional party shall be joined as a defendant by the appeals board on the motion of any party in interest, but the liability of such employer shall not be determined until supplemental proceedings are instituted. Any employer joined as a defendant subsequent to the first hearing or subsequent to the election provided herein shall not be entitled to participate in any of the proceedings prior to the appeal board's final decision, nor to any continuance or further proceedings, but may be permitted to ascertain from the employee or his dependents such information as will enable the employer to determine the time, place, and duration of the alleged employment. On supplemental proceedings, however, the right of the employer to full and complete examination or cross-examination shall not be restricted.

(d) If the employment exposing the employee to the hazards of the claimed occupational disease or cumulative injury was for more than five years with the same employer, or its predecessors in interest, the limitation of liability to the last five years of employment as set forth in subdivision (a) shall be inapplicable. Liability in such circumstances shall extend to all insurers who insure the workers' compensation liability of such employer, during the entire period of the employee's exposure with such employer, or its predecessors in interest. The respective contributions of such insurers shall be in proportion to employment during their respective periods of coverage. As used in this subdivision, "insurer" includes an employer who during any period of the employees exposure was self-insured or legally uninsured.

The provisions of this subdivision shall expire on July 1, 1986, unless otherwise extended by the Legislature prior to that date.

(e) At any time within one year after the appeals board has made an award for compensation benefits in connection with an occupational disease or cumulative injury, any employer held liable under such award may institute proceedings before the appeals board for the purpose of determining an apportionment of liability or right of contribution. Such a proceeding shall not diminish, restrict, or alter in any way the recovery previously allowed the employee or his dependents, but shall be limited to a determination of the respective contribution rights, interests or liabilities of all the employers joined in the proceeding, either initially or supplementally; provided, however, if the appeals board finds on supplemental proceedings for the purpose of determining an apportionment of liability or of a right of contribution that an employer previously held liable in fact has no liability, it may dismiss such employer and amend its original award in such manner as may be required.

(f) In any proceeding before the appeals board for the purpose of determining an apportionment of liability or of a right of contribution where any employee incurred a disability or death resulting from silicosis in underground metal mining operations, the determination of the respective rights and interests of all of the employers joined in the proceedings either initially or supplementally shall be as follows:

(1) All employers whose underground metal mining operations resulted in a silicotic exposure during the period of the employee's employment in such operations shall be jointly and severally liable for the payment of compensation and of medical, surgical, legal and hospital expense which may be awarded to the employee or his estate or dependents as the result of disability or death resulting from or aggravated by such exposure.

(2) In making its determination in the supplemental proceeding for the purpose of determining an apportionment of liability or of a right of contribution of percentage liabilities of the various employers engaged in underground metal mining operations the appeals board shall consider as a rebuttal presumption that employment in underground work in any mine for a continuous period of more than three calendar months will result in a silicotic exposure for the employee so employed during the period of employment if the underground metal mine was driven or sunk in rock having a composition which will result in dissemination of silica or silicotic dust particles when drilled, blasted or transported.

(g) Any employer shall be entitled to rebut such presumption by showing to the satisfaction of the appeals board, or its referee, that the mining methods used by the employer in the employee's place of employment did not result during his employment in the creation of silica dust in sufficient amount or concentration to constitute a silicotic hazard. Dust counts, competently made, at such intervals

and in such locations as meet the requirements of the Division of Industrial Safety for safe working conditions may be received as evidence of the amount and concentration of silica dust in the workings where such counts have been made at the time when they were made. The appeals board may from time to time, as its experience may indicate proper, promulgate orders as to the frequency with which such dust counts shall be taken in different types of workings in order to justify their acceptance as evidence of the existence or nonexistence of a silicotic hazard in the property where they have been taken.

(h) The amendments to this section adopted at the 1959 Regular Session of the Legislature shall operate retroactively, and shall apply retrospectively to any cases pending before the appeals board or courts. From and after the date this section becomes effective no payment shall be made out of the fund used for payment of the additional compensation provided for in Section 4751 of this code, or out of any other state funds, in satisfaction of any liability heretofore incurred or hereafter incurred, except awards which have become final without regard to the continuing jurisdiction of the appeals board on said effective date, and the state and its funds shall be without liability therefor. This paragraph shall not in any way effect a reduction in any benefit conferred or which may be conferred upon any injured employee or his dependents.

SEC. 30. Section 5500.6 is added to the Labor Code, to read:

5500.6. Liability for occupational disease or cumulative injury which results from exposure solely during employment as an employee, as defined in subdivision (d) of Section 3351, shall be limited to those employers in whose employment the employee was exposed to the hazards of such occupational disease or cumulative injury during the last day on which the employee was employed in an occupation exposing the employee to the hazards of such disease or injury. In the event that none of the employers of the last day of hazardous employment is insured for workers' compensation liability, such liability, shall be imposed upon the last employer exposing the employee to the hazards of such occupational disease or cumulative injury who has secured workers' compensation insurance coverage or an approved alternative thereto. If, based upon all the evidence presented, the appeals board or referee finds the existence of cumulative injury or occupational disease, liability for such cumulative injury or occupational disease shall not be apportioned to prior employers. However, in determining such liability, evidence of disability due to specific injury, disability due to non-work-related causes, or disability previously compensated for by way of a findings and award or order approving compromise and release, or a voluntary payment of disability, may be admissible for purposes of apportionment.

SEC. 31. If any provision of this act, or the application thereof to any person or circumstances, is held invalid, such invalidity shall not affect other provisions or applications of this act which can be given

effect without the invalid provision or application, and to this end the provisions of this act are severable.

SEC. 32. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution, and shall go into immediate effect. The facts constituting such necessity are:

Chapter 1263 of the Statutes of 1975 became effective January 1, 1977. This act, with certain exceptions, repeals the provisions of such Chapter 1263 and substitutes therefor the substantive provisions of this act. Because the workers' compensation insurance coverage anticipated by such Chapter 1263 is not readily available to many thousands of persons who would be employers under the act, it is necessary that this act take effect immediately.

CHAPTER 18

An act to amend Section 69591 of the Government Code, relating to courts, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 25, 1977. Filed with Secretary of State March 25, 1977.]

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

SECTION 1. Section 69591 of the Government Code is amended to read:

69591. In the County of Orange there shall be 37 judges of the superior court.

SEC. 2. The sum of two hundred forty thousand dollars ($240,000) is hereby appropriated from the General Fund to the State Controller for allocation and disbursement to local agencies pursuant to Section 2231 of the Revenue and Taxation Code to reimburse such agencies for costs incurred by them pursuant to this act.

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

In order to provide funds to local agencies for four additional superior court judgeship positions which became operative on January 1, 1977, it is necessary that this act take effect immediately.

CHAPTER 19

An act relating to appliance labeling, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 25, 1977. Filed with Secretary of State March 25, 1977.]

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

SECTION 1. Notwithstanding any other provision of law, Section 22411 of the Business and Professions Code shall apply to radios installed at the factory of an automobile manufacturer or to radios which are replaced by such factory radios only on motor vehicles which are manufactured on and after September 1, 1977.

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

Automobile manufacturers need additional time in which to meet specified labeling requirements for, among other things, radios used or sold in motor vehicles which requirement is to be operative April 1, 1977. In order to give such manufacturers additional time in which to comply with such requirement it is necessary that this act go into immediate effect.

CHAPTER 20

An act to amend Sections 17025, 22052, and 22900 of, and to repeal Sections 22001 and 22901 of, the Elections Code, relating to elections.

[Approved by Governor April 6, 1977. Filed with Secretary of State April 6, 1977.]

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

SECTION 1. Section 17025 of the Elections Code is amended to read:

17025. The sealed packages containing the lists, papers, and ballots shall be delivered by two of its members without delay, unopened, to the clerk or to a receiving station designated by the clerk.

SEC. 2. Section 22001 of the Elections Code is repealed.

SEC. 3. Section 22052 of the Elections Code is amended to read:

22052. The members of the precinct boards provided for in Sections 20050 and 20051 shall be appointed and shall act as provided in this chapter.

SEC. 4. Section 22900 of the Elections Code is amended to read:

22900. The city clerk shall have the necessary ballots printed and shall procure and furnish to the election officers the necessary

supplies and equipment as specified in Sections 14005 and 14007. The clerk shall see that they are properly distributed to each precinct prior to the opening of the polls on the day of election.

SEC. 5. Section 22901 of the Elections Code is repealed.

CHAPTER 21

An act to amend Section 232.9 of, and to add and repeal Section 232.1 of, the Civil Code, to amend and renumber Section 331.5 of, to amend Sections 303, 361.5, 362, 366.5, 16525, 16527, 16528, 16531, 16552, 16555, 16556, 16557, and 16558 of, and to add Sections 332.5, 351.5, 353.5, 360.5, 362.5, 366.3 and 16511.5 to, the Welfare and Institutions Code, and to amend Sections 2, 28, and 29 of, to add Section 29.5 to, and to repeal Sections 3, 5.5, 6, 8, 9, 11, 13, 13.5, 13.6, 14, 15, 17, 18 and 21 of, Chapter 977 of the Statutes of 1976, relating to juvenile court law, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 6, 1977. Filed with Secretary of State April 6, 1977.

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

SECTION 1. Section 232.1 is added to the Civil Code, to read:

232.1. (a) An action may be brought in a demonstration county for the purpose of having any person under the age of 18 years declared free from the custody and control of either or both of his parents when such person comes within any of the following descriptions:

(1) Who has been left without provision for his identification by his parent or parents or by others or has been left by both of his parents or his sole parent in the care and custody of another for a period of six months or by one parent in the care and custody of the other parent for a period of one year without any provision for his support, or without communication from such parent or parents, with the intent on the part of such parent or parents to abandon such person. Such failure to provide identification, failure to provide, or failure to communicate shall be presumptive evidence of the intent to abandon. Such person shall be deemed and called a person abandoned by the parent or parents abandoning him. If in the opinion of the court the evidence indicates that such parent or parents have made only token efforts to support or communicate with the child, the court may declare the child abandoned by such parent or parents. In those cases in which the child has been left without provision for his identification and the whereabouts of the parents are unknown, a petition may be filed after the 120th day following the discovery of the child and citation by publication may be commenced. The petition may not be heard until after the 180th day following the discovery of the child.

The fact that a child is in a foster care home subject to the

requirements of Chapter 3 (commencing with Section 1500) of Division 2 of the Health and Safety Code, shall not prevent a licensed adoption agency which is planning adoption placement for the child, from instituting, under this subdivison, an action to declare such child free from the custody and control of his parents. When the requesting agency is a licensed county adoption agency, the county counsel and if there is no county counsel, the district attorney shall institute such action.

(2) Who has been cruelly treated or neglected by either or both of his parents, if such person has been a dependent child of the juvenile court, and such parent or parents deprived of his custody for the period of one year prior to the filing of a petition praying that he be declared free from the custody and control of such cruel or neglectful parent or parents.

An action may be brought under this subdivision only if the child was declared a dependent child of the juvenile court prior to July 1, 1977.

(3) Whose parent or parents suffer a disability because of the habitual use of alcohol, or any of the controlled substances specified in Schedules I to V, inclusive, of Division 10 (commencing with Section 11000) of the Health and Safety Code, except when such controlled substances are used as part of a medically prescribed plan, or are morally depraved, if such person has been a dependent child of the juvenile court, and the parent or parents deprived of his custody because of such disability, or moral depravity, for the period of one year continuously immediately prior to the filing of the petition praying that he be declared free from the custody and control of such parent or parents. As used in this subdivision, "disability" means any physical or mental incapacity which renders the parent or parents unable to adequately care for and control the child.

(4) Whose parent or parents are convicted of a felony, if the facts of the crime of which such parent or parents were convicted are of such nature as to prove the unfitness of such parent or parents to have the future custody and control of the child.

(5) Whose parent or parents have been declared by a court of competent jurisdiction wherever situated to be mentally deficient or mentally ill, if, in the state or country in which the parent or parents are hospitalized or resident, the State Director of Health, or his equivalent, if any, and the superintendent of the hospital of which, if any, such parent or parents are inmates or patients certify that such parent or parents so declared to be mentally deficient or mentally ill will not be capable of supporting or controlling the child in a proper manner.

(6) Whose parent or parents are, and will remain incapable of supporting or controlling the child in a proper manner because of mental deficiency or mental illness, if there is testimony to this effect from two physicians and surgeons , each of whom must have been certified either by the American Board of Psychiatry and Neurology

or under Section 6750 of the Welfare and Institutions Code. If, however, the parent or parents reside in another state or in a foreign country, the testimony herein may be supplied by two physicians and surgeons who are residents of such state or foreign country, if such physicians and surgeons have been certified by a medical organization or society of that state or foreign country to practice psychiatric or neurological medicine and if the court determines that the certification requirements of such organization or society are comparable to those of the American Board of Psychiatry and Neurology.

The parent or parents shall be cited to be present at the hearing, and if he or they have no attorney, the court shall appoint an attorney or attorneys to represent the parent or parents and fix the compensation to be paid by the county for such services, if the court determines the parent or parents are not financially able to employ counsel.

(7) Who has been cared for in one or more foster homes under the supervision of the juvenile court, the county welfare department, or other public or private licensed child-placing agency for two or more consecutive years, providing that the court finds by clear and convincing evidence that the return of the child to his parent or parents would be detrimental to the child and that the parent or parents have failed during such period, and are likely to fail in the future, to:

(i) Provide a home for the child;

(ii) Provide care and control of the child;

(iii) Maintain an adequate parental relationship with the child; and

(iv) Maintain continuous contact with the child, unless unable to do so.

Physical custody of the child by the parent or parents for insubstantial periods of time during the required two-year period shall not serve to interrupt the running of such period.

(8) Who has been found to be a dependent child of the juvenile court, has been removed from the physical custody of his parent or parents pursuant to Section 361.5 or voluntarily placed pursuant to Chapter 5.5 (commencing with Section 16550) of Part 4 of Division 9 of the Welfare and Institutions Code, and where an action to terminate parental rights was initiated due to a court order pursuant to Section 366.5 of the Welfare and Institutions Code.

At the termination proceeding, the person bringing the action shall show that on a continuous basis reasonable services have been provided to the parents, or were offered and refused by them, which were designed to aid the parents to overcome the problems which originally led to the deprivation of physical custody, the effectiveness, if any, of such services, and that despite the use of such services, the problems which originally led to the deprivation of physical custody are still present. Social workers or probation officers who provided such services shall appear, if available, at the

termination proceedings.

At the termination proceeding, the court may consider the wishes of the child. When the child is 14 years of age or older, the consent of the child shall be obtained in order that there be a termination of parental rights.

If the court sustains the petition and there is an order pursuant to this subdivision, the court shall specify the factual grounds established to support its findings and enter such in the permanent records of the court.

An action may be brought under this subdivision if the child was declared a dependent child of the juvenile court on or after July 1, 1977, or was voluntarily placed by his parents pursuant to Chapter 5.5 (commencing with Section 16550) of Part 4 of Division 9 of the Welfare and Institutions Code on or after such date.

This subdivision shall not apply to a parent or parents who have been convicted of a felony and thereby are unable to receive reasonable services designed to aid them to overcome the problems which originally led to the deprivation of physical custody.

(b) A licensed adoption agency of a demonstration county may institute under this section, an action to declare a child, as described in this section, free from the custody and control of his parents. When the requesting agency is a licensed county adoption agency, the county counsel, or if there is no county counsel, the district attorney shall in a proper case institute such action.

(c) As used in this section, a "demonstration county" is a county selected pursuant to Section 2 of Chapter 977 of the Statutes of 1976.

(d) This section shall remain in effect only until June 30, 1981 and as of such date is repealed, unless a later enacted statute, which is chaptered before June 30, 1981, deletes or extends such date.

SEC. 1.3. Section 232.9 of the Civil Code is amended to read:

232.9. The State Department of Health, a county welfare department, a county adoption department, or a county probation department which is planning adoptive placement of a child with a licensed adoption agency, or the State Department of Health acting as an adoption agency in counties which are not served by a county adoption agency, may initiate an action under Section 232 to declare a child free from the custody and control of his parents. The fact that a child is in a foster care home subject to the requirements of Chapter 3 (commencing with Section 1500) of Division 2 of the Health and Safety Code shall not prevent the institution of such an action by any such agency or by a licensed adoption agency pursuant to Section 232.

The county counsel or, if there is no county counsel, the district attorney of the county specified in Section 233 shall, in a proper case, institute the action upon the request of any of the state or county agencies mentioned herein. In a demonstration county selected pursuant to Section 2 of Chapter 977 of the Statutes of 1976, such action shall be instituted pursuant to Section 232.1 within 30 days of such request.

If, at the time of the filing of a verified petition by any department or agency specified in this section, the child is in the custody of the petitioner, such petitioner may continue to have custody of the child pending the hearing on the petition unless the court, in its discretion, makes such other orders regarding custody pending the hearing which it finds will best serve and protect the interests and welfare of the child.

SEC. 1.5. Section 303 of the Welfare and Institutions Code is amended to read:

303. (a) Each year the State Department of Health shall prepare and issue a report on foster care in California. The report shall be based on a sample of foster children drawn from counties which collectively include at least 65 percent of all the foster children in this state. The report shall include an analysis, evaluation or estimate of each of the following, on a statewide basis, as it deems appropriate:

(1) The number of foster children;

(2) The amount of funds expended by federal, state and local government for maintenance payments to foster parents, group homes and institutions;

(3) The amount of funds expended by federal, state and local government on services to foster children and their natural parents or guardians;

(4) The types of services being offered to parents and their children in order to keep the family together;

(5) The number of foster children who are of adoptable age, the number of such children adopted, and the number of foster children determined not to be adoptable and the reasons therefor;

(6) The number of foster children placed in permanent foster care or guardianship;

(7) The size of caseloads of probation officers and social workers, the effect such caseloads have on the services offered to parents or their children, and the effectiveness of such services;

(8) The movement of foster children within the program from placement to placement and the shifting responsibility for such children within the county probation department or welfare department;

(9) The foster care-related qualifications, education, and in-service training of social workers and probation officers who handle such cases;

(10) Any other matters relating to foster children which the department deems appropriate to be included in such report. The report shall be submitted to the Governor and Legislature concurrently with submission of the report required by Section 29 of Chapter 977 of the Statutes of 1976. If the department excludes any of the information required herein, it shall explain why it was not included, whether it believes it is appropriate to include such information, and an estimate of any costs to the state or counties for the collection of such information.

(b) All personal information and records obtained by the

department pursuant to this section shall be confidential and may be disclosed only in those instances designated in Section 10850.

(c) Any person may bring an action against an individual who has willingly and knowingly released confidential information or records concerning him in violation of the provisions of this section, for the greater of the following amounts:

(1) Five hundred dollars ($500).

(2) Three times the amount of actual damages, if any, sustained by the plaintiff.

Any person may, in accordance with the provisions of Chapter 3 (commencing with Section 525) of Title 7 of Part 2 of the Code of Civil Procedure, bring an action to enjoin the release of confidential information or records in violation of the provisions of this chapter, and may in the same action seek damages as provided in this section.

It is not a prerequisite to an action under this section that the plaintiff suffer or be threatened with actual damages.

SEC. 2. Section 331.5 of the Welfare and Institutions Code is amended and renumbered to read:

330.5. In any case in which a probation officer or social worker in a county welfare department of a demonstration county designated pursuant to Section 272, after investigation of an application for petition or other investigation he is authorized to make, concludes that a minor is within the jurisdiction of the juvenile court pursuant to Section 300 or probably will soon be within such jurisdiction, he may, in lieu of filing a petition or subsequent to the dismissal of a petition already filed, and with the consent of the minors parent or guardian, undertake a program of supervision of the minor and his family. If such a program is undertaken, the probation officer or social worker shall attempt to ameliorate the situation which brings the minor within the jurisdiction of Section 300 by providing all appropriate services. Any time after the family has unreasonably refused to cooperate with the services being provided, the probation officer or social worker may file a petition to the court. In any event, if after six months the minor is believed to be within the jurisdiction of Section 300, the probation officer or social worker shall file a petition. Nothing in this section shall be construed to prevent the probation officer or social worker from filing a petition at any time within such six-month period.

SEC. 3. Section 332.5 is added to the Welfare and Institutions Code, to read:

332.5. A petition to commence proceedings in the juvenile court of a demonstration county to declare a minor a dependent child of the court shall be verified and must contain:

(a) The name of the court to which the same is addressed.

(b) The title of the proceeding.

(c) The code section or sections and subdivision or subdivisions under which the proceedings are instituted.

(d) The name, age, and address, if any, of the minor upon whose behalf the petition is brought.

(e) The name or names and residence address, if known to the petitioner, of all parents and guardians of such minor. If there is no parent or guardian residing within the state, or if his place of residence is not known to the petitioner, the petition must also contain the name and residence address, if known, of any adult relative residing within the county, or, if there be none, the adult relative residing nearest to the location of the court.

(f) A concise statement of facts, separately stated, to support the conclusion that the minor upon whose behalf the petition is being brought is a person within the definition of Section 300 or 302.

(g) The fact that the minor upon whose behalf the petition is brought is detained in custody or is not detained in custody, and if he is detained in custody, the date and the precise time the minor was taken into custody.

SEC. 4. Section 351.5 is added to the Welfare and Institutions Code, to read:

351.5. In a juvenile court hearing in a demonstration county, where the minor who is the subject of the hearing is represented by counsel, the district attorney shall, with the consent or at the request of the juvenile court judge, appear and participate in the hearing to assist in the ascertaining and presenting of the evidence.

SEC. 5. Section 353.5 is added to the Welfare and Institutions Code, to read:

353.5. In a demonstration county, at the beginning of the hearing on a petition filed pursuant to Article 8 (commencing with Section 325) of this chapter, the judge or clerk shall first read the petition to those present and upon request of the minor upon whose behalf the petition has been brought or upon the request of any parent, relative or guardian, the judge shall explain any term or allegation contained therein and the nature of the hearing, its procedures, and possible consequences. The judge shall ascertain whether the minor and his parent or guardian or adult relative, as the case may be, has been informed of the right of the minor and parents or guardian to be represented by counsel, and if not, the judge shall advise the minor and such person, if present, of the right to have counsel present and where applicable, of the right to appointed counsel. Before proceeding further, the court, in a case in which the minor is alleged to be within the provisions of Section 300 or 302, shall first comply with the provisions of Section 318.5. The court shall continue the hearing for not to exceed seven days, as necessary to make an appointment of counsel, or to enable counsel to acquaint himself with the case, or to determine whether the parent or guardian or adult relative is unable to afford counsel at his own expense, and shall continue the hearing as necessary to provide reasonable opportunity for the minor and the parent or guardian or adult relative to prepare for the hearing.

SEC. 6. Section 360.5 is added to the Welfare and Institutions Code, to read:

360.5. After receiving and considering the evidence on the proper

disposition of the case, the juvenile court of a demonstration county may enter judgment as follows:

(a) If the court has found that the minor is a person described in Section 300, it may, without adjudging such minor a dependent child of the court, order that services be provided to keep the family together and place the minor and his parents or guardians under the supervision of the probation officer or social worker in a county welfare department designated pursuant to Section 272 for a period not to exceed six months.

(b) If the court has found that the minor is a person described by Section 300, it may order and adjudge the minor to be a dependent child of the court.

SEC. 7. Section 361.5 of the Welfare and Institutions Code is amended to read:

361.5. (a) In a demonstration county, in all cases wherein a minor is adjudged a dependent child of the court, on the ground that he is a person described by Section 300 or 302, the court may limit the control to be exercised over such dependent by any parent or guardian and shall by its order clearly and specifically set forth all such limitations, but such limitations shall not exceed those necessary to protect the child.

(b) No dependent child shall be taken from the physical custody of his parents or guardians unless upon the hearing the juvenile court of a demonstration county finds substantial evidence that:

(1) There is a substantial danger to the physical health of the minor and there are no reasonable means acceptable to the minor's parents or guardians by which the minor's physical health may be protected without removing the minor from his parents' or guardians' physical custody; or

(2) The parents or guardians of the minor are unwilling to have physical custody of the minor, there are no reasonable means acceptable to the parents or guardians which would enable the minor to be returned to their physical custody, and the parents or guardians have been notified that if the minor remains out of their physical custody for the period specified in Section 366.5, the minor may be declared permanently free from their custody and control under Section 232.1 of the Civil Code; or

(3) The minor is suffering severe emotional damage indicated by extreme anxiety, depression, withdrawal, or untoward aggressive behavior against others and there are no reasonable means acceptable to the minor's parents or guardians by which the minor's emotional health may be protected without removing the minor from his parents' or guardians' physical custody.

The court shall specify the factual grounds established to support these findings and enter such in the permanent records of the court.

(c) If the minor is taken from the physical custody of his parents or guardians and unless the minor is placed with relatives, the minor shall be placed in foster care in the county of residence of his parents or guardians in order to facilitate reunification of the family. If the

probation officer or social worker in a county welfare department of a demonstration county designated pursuant to Section 272 cannot find a suitable placement within the county and seeks to place the minor outside the county, the probation officer or social worker shall serve written notice on the parents or guardians in the same manner as provided in Section 366.3 at least seven days prior to such placement. Such notice shall state the reasons which require such placement outside the county. The parents or guardians may object to such placement not later than seven days after receipt of such notice and, upon such objection, the court shall hold a hearing not later than five days after such objection and prior to such placement. The court shall order out-of-county placement if it finds that the minors particular needs require placement outside the county.

(d) The juvenile court of a demonstration county shall order that the probation officer or social worker in a county welfare department designated pursuant to Section 272 provide to the minor's parents or guardians services which can reasonably be expected to facilitate the return of the minor to his family.

SEC. 8. Section 362 of the Welfare and Institutions Code is amended to read:

362. (1) When a minor is adjudged a dependent child of the court on the ground that he is a person described by Section 300, the court may make any and all reasonable orders for the care, supervision, custody, conduct, maintenance, and support of such minor, including medical treatment, subject to further order of the court.

The court may order the care, custody, control and conduct of such minor to be under the supervision of the probation officer or may commit such minor to the care, custody and control of:

(a) Some reputable person of good moral character who consents to such commitment.

(b) Some association, society, or corporation embracing within its objects the purpose of caring for such minors, with the consent of such association, society, or corporation.

(c) The probation officer, to be boarded out or placed in some suitable family home or suitable private institution, subject to the requirements of Chapter 2 (commencing with Section 1250) or Chapter 3 (commencing with Section 1500) of Division 2 of the Health and Safety Code; provided, however, that pending action by the State Department of Health, the placement of a minor in a home certified as meeting minimum standards for boarding homes by the probation officer shall be legal for all purposes.

(d) Any other public agency organized to provide care for needy or neglected children.

When a minor is adjudged a dependent child of the court, on the ground that he is a person described by Section 300 and the court orders that a parent or guardian shall retain custody of such minor subject to the supervision of the probation officer, the parent or guardian may be required, and may be ordered, to participate in a counseling program to be provided by an appropriate agency

designated by the court. When a minor is adjudged a dependent child of the court on the ground that he is a person described by subdivision (d) of Section 300 and the court orders that a parent or guardian shall retain custody of such minor subject to the supervision of the probation officer, the parent or guardian shall be required to participate in a counseling program to be provided by an appropriate agency, designated by the court.

(2) The juvenile court may direct any and all reasonable orders to the parents and guardians of the minor who is the subject of any proceedings under this chapter as the court deems necessary and proper to carry out the provisions of subdivision (1).

SEC. 9. Section 362.5 is added to the Welfare and Institutions Code, to read:

362.5. When a minor is adjudged a dependent child of the juvenile court of a demonstration county, on the ground that he is a person described by Section 300 or 302, the court may make any and all reasonable orders for the care, supervision, custody, conduct, maintenance, and support of such minor, including medical treatment, subject to further order of the court.

The court may order the care, custody, control and conduct of such minor to be under the supervision of the probation officer or social worker in a county welfare department of a demonstration county designated pursuant to Section 272 or, if the minor is removed from the custody of his parents or guardians pursuant to Section 361.5, the court may commit such minor to the care, custody and control of:

(a) Some reputable person of good moral character who consents to such commitment.

(b) Some association, society, or corporation embracing within its objects the purpose of caring for such minors, with the consent of such association, society, or corporation.

(c) The probation officer or social worker, to be boarded out or placed in some suitable family home or suitable private institution, subject to the requirements of Chapter 2 (commencing with Section 1250) or Chapter 3 (commencing with Section 1500) of Division 2 of the Health and Safety Code; provided, however, that pending action by the State Department of Health, the placement of a minor in a home certified as meeting minimum standards for boarding homes by the probation officer or social worker shall be legal for all purposes.

(d) Any other public agency organized to provide care for needy or neglected children.

When a minor is adjudged a dependent child of the court, on the ground that he is a person described by Section 300 and the court orders that a parent or guardian shall retain custody of such minor subject to the supervision of the probation officer or social worker, the parent or guardian may be required, and may be ordered, to participate in a counseling program designated by the court. When a minor is adjudged a dependent child of the court on the ground that he is a person described by subdivision (d) of Section 300 and

the court orders that a parent or guardian shall retain custody of such minor subject to the supervision of the probation officer or social worker, the parent or guardian shall be required to participate in a counseling program designated by the court.

SEC. 10. Section 366.3 is added to the Welfare and Institutions Code, to read:

366.3. In a demonstration county, every hearing in which an order is made adjudging a minor a dependent child of the juvenile court pursuant to Section 300 or 302 and every subsequent hearing in which such an order is made, except a hearing at which the court orders the termination of its jurisdiction over such minor, shall be continued to a specific future date not more than six months after the date of such order. The continued hearing shall be placed on the appearance calendar. The probation officer or social worker in a county welfare department designated pursuant to Section 272 shall provide appropriate services to the minor and his parents or guardians and, at least 16 days prior to the hearing, file a supplemental report of the services offered to the family, the progress made, and, where relevant, the prognosis for return of the child to the physical custody of his parents or guardians, and make his recommendation for disposition. The court shall advise all persons present of the date of the future hearing and of their right to be present, to be represented by counsel, where relevant, and, at least 14 days prior to the hearing, where relevant, of any facts which justify the continued removal of the minor pursuant to Section 361.5 and shall include a copy of the supplemental report. At each review hearing no minor shall be retained away from the physical custody of his parents or guardians without a showing of the current existence of facts which justify the removal under the standards of Section 361.5. The court shall review the probation officer's or social worker's report, make appropriate findings, and, where relevant, shall order any additional services reasonably believed to facilitate the return of the minor to the custody of his parents or guardians. All such findings shall be entered in the permanent records of the court. Notice of hearing shall be mailed by the probation officer or social worker to the same persons as in an original proceeding and to counsel of record by certified mail addressed to the last known address of the person to be notified, or shall be personally served on such persons, not earlier than 30 days preceding the date to which the hearing was continued.

The required six-months hearings shall only be applicable for a minor declared a dependent child of the juvenile court on or after July1, 1977, or voluntarily placed by his parents pursuant to Chapter 5.5 (commencing with Section 16550) of Part 4 of Division 9 on or after such date. For all other minors, the hearings shall be continued to a specific future date not more than one year after the date of such order.

SEC. 11. Section 366.5 of the Welfare and Institutions Code is amended to read:

366.5. (a) In order to provide minors described in this section with a stable and permanent environment, the juvenile court of a demonstration county shall follow the procedure set forth in subdivision (d).

(b) The juvenile court of a demonstration county shall commence proceedings under subdivision (d) in the case of a minor who has been taken from the physical custody of his parents or guardians under paragraph (1) or (3) of subdivision (b) of Section 361.5 and has remained out of their physical custody for 12 consecutive months and:

(1) the minor was less than two years of age at the time of removal pursuant to paragraph (1) or (3) of subdivision (b) of Section 361.5; or

(2) The minor is 14 years of age or older at the time of this proceeding and expresses a mature desire not to be returned to the physical custody of his parents or guardians.

Physical custody of the minor by his parents or guardians for insubstantial periods during the 12-month period will not serve to interrupt the running of such period.

(c) The juvenile court of a demonstration county shall commence proceedings under subdivision (d) in the case of any other minor who has been taken from the physical custody of his parents or guardians under paragraph (1), (2), or (3) of subdivision (b) of Section 361.5 and has remained out of their physical custody for 18 consecutive months, including for these purposes the time, if any, that the minor has remained out of their physical custody pursuant to a voluntary placement under Chapter 5.5 (commencing with Section 16550) of Part 4 of Division 9.

Physical custody of the minor by the parents or guardians for insubstantial periods of time during the 18-month period will not serve to interrupt the running of such period.

(d) For any minor that the juvenile court of a demonstration county finds to be a person described in either subdivision (b) or (c), the court shall order the appropriate department to investigate how the minor might be provided with a stable and permanent environment as required by subdivision (e). The department shall report its findings and make a recommendation to the court at a hearing that shall take place no more than 45 days from the date of the court's findings under subdivision (b) or (c), unless when the court makes its findings under subdivision (b) or (c), it finds that there is a substantial probability the minor will be returned to the physical custody of his parents or guardians within six months, in which case the hearing shall take place not more than six months from the date of the court's findings. The department and court shall give due consideration to the foster parents, if any, of the minor in considering adoption, guardianship or stable long-term foster care placement. The court shall notify the minor's parents or guardians and foster parents of its order under this subdivision, and the date of the hearing under subdivision (e). Such notice shall be sent by

registered mail no less than 15 days before the date of such hearing and shall include a copy of the findings of the investigating department.

(e) At the hearing ordered under subdivision (d):

(1) If the court finds that the minor is adoptable, the court shall order the county counsel, or if there is no county counsel, the district attorney, to initiate an action to declare the minor permanently free from the custody and control of his parents or guardians pursuant to Section 232.1 of the Civil Code unless the court finds that:

(A) The parents or guardians have maintained a close family relationship with the minor through regular visitation and contact and the minor would benefit from a continued relationship with them; or

(B) A minor 14 years of age or older objects to termination of parental rights; or

(C) The minor's foster parents are unable to adopt the minor because of exceptional circumstances, but are willing and capable of providing the minor with a stable and permanent environment and the removal of the minor from the physical custody of the foster parents would be seriously detrimental to the emotional well-being of the minor because the minor has substantial psychological ties to them.

(2) If the court finds that the minor is not adoptable or the exceptions described in paragraph (1) of subdivision (e) apply, and the court finds that one or more adults are available and eligible to become legal guardians for the minor, the court shall order the department to facilitate the guardianship proceedings. The county counsel or, if there is no county counsel, the district attorney, may render assistance in such proceedings to the department. The court shall not make such an order if it finds that the minor's foster parents are unable to become guardians for the minor because of exceptional circumstances, but are willing and capable of providing the minor with a stable and permanent environment and the removal of the minor from the physical custody of his foster parents would be seriously detrimental to the emotional well-being of the minor because the minor has substantial psychological ties to them.

The proceeding for the appointment for a guardian for a minor under this section shall be in the juvenile court, notwithstanding Section 1405 of the Probate Code. For such minors, the juvenile court shall have the power to appoint a guardian pursuant to the standards and procedures otherwise specified by the Probate Code.

(3) If the court finds that the minor is not adoptable under paragraph (1) of subdivision (e) and that guardianship proceedings should not be initiated under paragraph (2) of subdivision (e), it shall order the department to facilitate the placement of the minor in an environment that can reasonably be expected to be stable and permanent. When the minor is in a foster home, and the foster parents are willing to provide and capable of providing a stable and permanent environment, the minor shall not be removed from this

home if removal of the minor from the physical custody of his foster parents would be seriously detrimental to the emotional well-being of the minor because the minor has substantial psychological ties to them.

(f) When an adoption or guardianship of the minor has been perfected, the court shall terminate its jurisdiction over such minor. If some other long-term placement for the minor has been made, the court shall continue the hearing to a specific future date not more than one year after the date of the order of continued jurisdiction over the minor as a dependent child pursuant to Section 300 or 302 notwithstanding the six-month review hearing required pursuant to Section 366.3.

SEC. 12. Section 16511.5 is added to the Welfare and Institutions Code, to read:

16511.5. In a demonstration county, services for children not qualifying under Section 16510 shall be financed, in part, from federal funds allocated to the state for child welfare services pursuant to Title XX of the Social Security Act. The department may limit allocation of child welfare service funds in the following manner:

(a) If Congress does not increase the appropriation for child welfare service funds the department may then limit the allocation specifically for protective services to the same proportion of the federal grant as obtained for the 1967–68 fiscal year.

(b) If and during such times as the federal government increases the allocation of child welfare services to the state, all of the increased funds resulting from this action shall be devoted to providing protective services for children who do not qualify for service under Section 16510; provided, however, that the department shall be permitted to allocate sufficient funds to the development of other aspects of child welfare services in order that the state remain eligible to receive funds pursuant to Title XX of the Social Security Act.

SEC. 13. Section 16525 of the Welfare and Institutions Code is amended to read:

16525. As used in this chapter:

"Family reunification services" means services whose purpose is to facilitate the return of minors who have been placed in foster care pursuant to Section 361.5 or voluntarily placed pursuant to Chapter 5.5 (commencing with Section 16550) of Part 4 of Division 9 of this code to the care and physical custody of their parents or guardians and other services provided for in Section 16527. Family reunification services shall include, but not be limited to, family therapy, psychiatric counseling, employment counseling, homemaker services, housekeeper services, day care services, emergency housing, divorce counseling, home management education, consumer education, health-related services, respite care on a 24-hour basis, emergency 24-hour shelter care, crisis intervention care on a 24-hour basis, information and referral

services, counseling and other state protective services for children pursuant to Section 16502.5.

In utilizing funds allocated to the demonstration county pursuant to Section 16536, the county shall provide for adequate services in the following categories prior to utilizing funds to provide for any other services set forth in this section: homemaker services, housekeeper services, day care services, respite care on a 24-hour basis, emergency housing, emergency 24-hour shelter care, and crisis intervention care on a 24-hour basis.

SEC. 16. Section 16527 of the Welfare and Institutions Code is amended to read:

16527. Family reunification services shall be used by the social worker or probation officer to facilitate the return of minors who have been placed in foster care pursuant to Section 361.5 or voluntarily placed pursuant to Chapter 5.5 (commencing with Section 16550) of Part 4 of Division 9 to the care and physical custody of their parents or guardians and to stabilize the family after such return of the minor, provided that such services may be utilized by child protective service workers pursuant to Chapter 5 (commencing with Section 16500) of Part 4 of Division 9 to the extent permitted by each county board of supervisors.

The "family reunification services" authorized by this chapter shall not be construed to supplant or replace services authorized by any other provision of law or any services to minors or families provided by a county on the effective date of this chapter.

SEC. 17. Section 16528 of the Welfare and Institutions Code is amended to read:

16528. The parents or guardians of any minor who receives services pursuant to Chapter 5 (commencing with Section 16500) of Part 4 of Division 9 or is placed in foster care pursuant to Section 361.5 or Chapter 5.5 (commencing with Section 16550) of Part 4 of Division 9, who are dissatisfied because of any action or inaction relating to receipt or appropriateness of services provided pursuant to this chapter or Chapter 5 (commencing with Section 16500) of Part 4 of Division 9 shall be entitled to a prompt and fair hearing. For the purpose of administering this section, the director shall have the powers and duties provided for in Chapter 7 (commencing with Section 10950) of Part 2 of Division 9.

SEC. 18. Section 16531 of the Welfare and Institutions Code is amended to read:

16531. Nothing in this chapter shall be construed to give the department or county welfare departments any law enforcement powers nor to change or interfere with the responsibility of law enforcement, probation officers and departments to take direct action on behalf of minors as provided in Article 7 (commencing with Section 305) of Chapter 2 of Part 1 and Article 8 (commencing with Section 325) of Chapter 2 of Part 1 of Division 2. Nor shall this part in any way relieve persons administering and working in family reunification services programs from the obligation resting on all

citizens to report crimes to duly authorized law enforcement agencies. Further it is the purpose of this part to supplement and not supplant existing services for children and families by the addition of state reunification services for families, and nothing herein shall be construed as changing in any way the responsibility of probation officers and departments for initiating juvenile court proceedings as set forth in Article 8 (commencing with Section 325), of Chapter 2 of Part 1 of Division 2, nor other duties and responsibilities assigned to them by law.

SEC. 19. Section 16552 of the Welfare and Institutions Code is amended to read:

16552. (a) A "voluntary placement agreement" is a binding written agreement between the county welfare department of a demonstration county and the parents or guardians of a minor which specifies the legal status of the minor and the rights and obligations of the parents or guardians.

(b) Voluntary placement shall not affect a parent's or guardian's rights:

(1) To consent to medical care for the minor; or

(2) To reasonable visitation privileges; or

(3) To consultation with regard to the type of out-of-home placement, location of the placement, and any change in placement; or

(4) To consent before the minor is taken out of the state.

(c) The parents or guardians shall have the right to have the minor returned to their physical custody within 14 days after written notice has been given to the county welfare department of a demonstration county. Notwithstanding the foregoing, the parents or guardians shall have the right to have the minor returned to their physical custody within 24 hours if at any time during the first three days after placement of the minor they notify the department that they wish to have the minor returned to their physical custody within such 24-hour period.

(d) In addition to other reasonable conditions for voluntary placement imposed by the county welfare department of a demonstration county to protect the interests of the minor, the parents or guardians shall agree pursuant to the voluntary placement agreement to do the following:

(1) Except as provided in subdivision (c), to give 14 days written notice for termination of the placement agreement,

(2) To contribute an amount specified pursuant to guidelines established by the State Department of Health for support of the minor, or, if eligible, apply for public assistance or other benefits which will contribute toward the minor's board and maintenance,

(3) To inform the county welfare department of a demonstration county of any change in their address or whereabouts,

(4) To meet with the social worker on a prearranged schedule to carry out agreed-upon casework planning for return of the minor to their physical custody,

(5) To meet with the social worker to discuss what services would be appropriate to help reunify the family.

(e) The voluntary placement agreement shall state that:

(1) Such placement shall not exceed six months, except as provided for in Section 16557; and

(2) The minor may remain out of their physical custody for a longer period only pursuant to Sections 300, 302, and 361.5 and if a petition is filed under such sections, the parents or guardians may be entitled to counsel appointed by the court if they are unable to afford counsel; and

(3) The minor may be declared permanently free from their custody and control pursuant to Section 232.1 of the Civil Code if the minor remains out of their physical custody for 18 consecutive months and if an action is brought under Section 2.5 of the act which enacted this section, the parents or guardians shall have the right to counsel appointed by the court if they are unable to afford counsel.

The State Department of Health, in consultation with county welfare departments, shall develop a form for voluntary placement agreements pursuant to the conditions set forth in this chapter to be used by all counties which accept such placements.

SEC. 20. Section 16555 of the Welfare and Institutions Code is amended to read:

16555. (a) If the minor is voluntarily placed outside his home, the department of a demonstration county shall provide the minor's parents or guardians family reunification services pursuant to Chapter 5.3 (commencing with Section 16525) of Part 4 of Divison 9 which can reasonably be expected to facilitate the return of the minor to his family.

(b) Within three business days after a minor is placed under this chapter, the social worker and the parents or guardians shall meet and confer on a preliminary plan to reunify the family. Within 14 days, they shall meet to confer on a comprehensive plan. A written record of the plans shall be made and a copy of each provided to the parents or guardians. Any substantial amendment to the plans which adds or deletes services from the original plans shall also be in writing and copies of each shall be provided to the parents or guardians.

(c) A minor may be placed by his parents or guardians more than once; provided that such placements shall not exceed a total of six months, or 12 months in those counties which hold administrative reviews pursuant to Section 16557 during the four-year period prior to the most recent placement. Any placement of the minor which exceeds such six-month or 12-month periods shall take place only pursuant to a court order under Sections 300, 302, and 361.5. For the purposes of this section, only voluntary placements made pursuant to this chapter shall be counted toward the six-month or 12-month limitation.

Physical custody of the minor by the parents or guardians for insubstantial periods of time during the required six-month and 12-month periods will not serve to interrupt the running of such periods.

SEC. 21. Section 16556 of the Welfare and Institutions Code is amended to read:

16556. If a minor has been voluntarily placed with the county welfare department of a demonstration county for out-of-home placement by his parents or guardians pursuant to this chapter and the minor has remained out of their physical custody for six consecutive months, the department shall:

(a) Return the minor to the physical custody of his parents or guardians; or

(b) Refer the minor to a licensed adoption agency for consideration of adoptive planning and receipt of a permanent relinquishment of care and custody rights from the parents or guardians pursuant to subdivision (m) of Section 224 of the Civil Code; or

(c) Apply for a petition pursuant to Section 322.5 and file such petition with the juvenile court to have the minor declared a dependent child of the court under Section 300 or 302; or

(d) Extend the voluntary placement for an additional six-month period pursuant to Section 16557.

SEC. 22. Section 16557 of the Welfare and Institutions Code is amended to read:

16557. Notwithstanding the six-month time limitation set forth in Section 16556, voluntary placement of the minor may be extended for a period not to exceed six months, provided, that:

(a) The county administrative review board of a demonstration county which meets the requirements of this section shall hold an administrative review within 30 days prior to the expiration of the initial six-month period;

(b) The board finds that it is probable that the minor will be reunited with his parents or guardians prior to the end of the extension period;

(c) The parents or guardians sign a voluntary placement agreement for the extension period; and

(d) The board makes written findings concerning what services have been offered to the parents or guardians, the effectiveness of such services, the need for further assistance, whether the parents or guardians have been afforded an opportunity and encouraged to have a program of regular visitation with the minor, and the number and duration of such visits.

The county administrative review board shall be comprised of at least three persons, not more than two of whom may be employees of the welfare department.

The minor's parents or guardians shall be given reasonable notice of the time of the review and shall have the right to be present.

The board may order that the department apply for a petition pursuant to Section 332.5 and file such petition with the juvenile court to have the minor declared a dependent of the juvenile court under Section 300 or 302.

The State Department of Health shall establish uniform procedures to be followed by each county for such administrative reviews.

SEC. 23. Section 16558 of the Welfare and Institutions Code is amended to read:

16558. A county welfare department of a demonstration county may, in its discretion, accept for voluntary placement a minor 14 years of age or older at the time of the initial placement without regard to the time limitation imposed by subdivision (c) of Section 16555, if such minor gives his consent to voluntary placement. The department shall not be required to file a petition pursuant to Section 302 relating to such minors or hold administrative reviews pursuant to Section 16557.

SEC. 24. Section 2 of Chapter 977 of the Statutes of 1976 is amended to read:

Sec. 2. (a) Therefore, this act shall be implemented in two counties, one over and one under 500,000 population, on a demonstration basis during the period from January 1, 1977 through June 30, 1981. The State Department of Health shall choose the appropriate counties by April 1, 1977, from among those that apply for participation in the demonstration program.

(b) In any demonstration county, in the event of any conflict between any other statutes and this act, this act shall prevail.

SEC. 25. Section 3 of Chapter 977 of the Statutes of 1976 is repealed.

SEC. 26. Section 5.5 of Chapter 977 of the Statutes of 1976 is repealed.

SEC. 27. Section 6 of Chapter 977 of the Statutes of 1976 is repealed.

SEC. 27.5. Section 8 of Chapter 977 of the Statutes of 1976 is repealed.

SEC. 28. Section 9 of Chapter 977 of the Statutes of 1976 is repealed.

SEC. 29. Section 11 of Chapter 977 of the Statutes of 1976 is repealed.

SEC. 30. Section 13 of Chapter 977 of the Statutes of 1976 is repealed.

SEC. 31. Section 13.5 of Chapter 977 of the Statutes of 1976 is repealed.

SEC. 32. Section 13.6 of Chapter 977 of the Statutes of 1976 is repealed.

SEC. 33. Section 14 of Chapter 977 of the Statutes of 1976 is repealed.

SEC. 34. Section 15 of Chapter 977 of the Statutes of 1976 is repealed.

SEC. 35. Section 17 of Chapter 977 of the Statutes of 1976 is repealed.

SEC. 36. Section 18 of Chapter 977 of the Statutes of 1976 is repealed.

SEC. 37. Section 21 of Chapter 977 of the Statutes of 1976 is repealed.

SEC. 38. Section 28 of Chapter 977 of the Statutes of 1976 is

amended to read:

Sec. 28. The sum of two million dollars ($2,000,000) is hereby appropriated from the General Fund to the State Department of Health for use during the 18-month period from January 1, 1977, through June 30, 1978, to be allocated as follows:

(a) One hundred and seventy-five thousand dollars ($175,000) for professional staff in the State Department of Health in order to effectively implement this act.

(b) Except as otherwise provided in Section 29.5, one million eight hundred and twenty-five thousand dollars ($1,825,000) to be used to reimburse the demonstration counties for all costs incurred in the implementation of this act including, but not limited to, the costs for family reunification services, child protective services, additional court hearings, and social worker and probation officer staff; provided, that not more than 20 percent of any county's allocation for family reunification services and child protective services may be used for the salaries of additional social workers or probation officers.

It is the intent of the Legislature that this four-year demonstration program be funded for approximately two million dollars ($2,000,000), consisting of state general funds and the county match required pursuant to Section 29.5 each fiscal year commencing fiscal year 1978–79, and the professional staff in the State Department of Health be funded for approximately one hundred and twenty-five thousand dollars ($125,000) for each such fiscal year.

SEC. 39. Section 29 of Chapter 977 of the Statutes of 1976 is amended to read:

Sec. 29. The State Department of Health shall collect the information concerning foster care described in Section 303 of the Welfare and Institutions Code in the demonstration counties and in other similar nondemonstration counties in order to compare such counties and determine the effectiveness of the program compared to the programs in other counties. The State Department of Health shall also determine the savings accrued by the federal, state, and local government due to the implementation of this act.

The department shall make an annual report to the Legislature commencing January 6, 1978, and each year thereafter through and including January 6, 1981, concerning implementation of this act.

SEC. 40. Section 29.5 is added to Chapter 977 of the Statutes of 1976, to read:

Sec. 29.5. The costs incurred in the implementation of this act by the two demonstration counties selected pursuant to Section 2 shall be financed as follows:

(a) During the 1977–78 fiscal year, on a basis of 90 percent state funds and 10 percent county funds;

(b) During the 1978–79 fiscal year, on a basis of 80 percent state funds and 20 percent county funds;

(c) During the 1979–80 and 1980–81 fiscal years, on a basis of 66 and ⅔ percent state funds and 33 and ⅓ percent county funds.

SEC. 41. This act is an urgency statute necessary for the immediate

preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to ensure proper financing of the demonstration counties it is necessary that this act go into effect at the earliest possible date.

SEC. 42. Sections 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 19, 20, 21, 22, 23, 30, 31, 32, 33, 35, and 36 of this act shall not become operative until July 1, 1977.

CHAPTER 22

An act to amend Section 623 of the Penal Code, relating to caves, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 6, 1977. Filed with Secretary of State April 6, 1977.]

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

SECTION 1. Section 623 of the Penal Code is amended to read:

623. (a) Except as otherwise provided in Section 599c, any person who, without the prior written permission of the owner of a cave, intentionally and knowingly does any of the following acts is guilty of a misdemeanor punishable by imprisonment in the county jail not exceeding one year, or by a fine not exceeding five hundred dollars ($500), or by both such fine and imprisonment:

(1) Breaks, breaks off, cracks, carves upon, paints, writes or otherwise marks upon or in any manner destroys, mutilates, injures, defaces, mars, or harms any natural material found in any cave.

(2) Disturbs or alters any archaeological evidence of prior occupation in any cave.

(3) Kills, harms, or removes any animal or plant life found in any cave.

(4) Burns any material which produces any smoke or gas which is harmful to any plant or animal found in any cave.

(5) Removes any material found in any cave.

(6) Breaks, forces, tampers with, removes or otherwise disturbs any lock, gate, door, or any other structure or obstruction designed to prevent entrance to any cave, whether or not entrance is gained.

(b) For purposes of this section:

(1) "Cave" means any natural geologically formed void or cavity beneath the surface of the earth, not including any mine, tunnel, aqueduct, or other manmade excavation, which is large enough to permit a person to enter.

(2) "Owner" means the person or private or public agency which has the right of possession to the cave.

(3) "Natural material" means any stalactite, stalagmite, helictite, anthodite, gypsum flower or needle, flowstone, drapery, column,

tufa dam, clay or mud formation or concretion, crystalline mineral formation, and any wall, ceiling, or mineral protuberance therefrom, whether attached or broken, found in any cave.

(4) "Material" means all or any part of any archaeological, paleontological, biological, or historical item including, but not limited to, any petroglyph, pictograph, basketry, human remains, tool, beads, pottery, projectile point, remains of historical mining activity or any other occupation found in any cave.

(c) The entering or remaining in a cave by itself shall not constitute a violation of this section.

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

This bill makes a grammatical correction in a new law which, if not corrected immediately, may hamper prosecutions under the new law.

CHAPTER 23

An act to amend Sections 9515 and 9516 of the Government Code, relating to the Legislature.

[Approved by Governor April 6, 1977. Filed with Secretary of State April 7, 1977.]

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

SECTION 1. Section 9515 of the Government Code is amended to read:

9515. If on the day the Governor desires to return a bill without his approval and with his objections thereto the house in which it originated has adjourned for the day, he may deliver the bill with his message to the Secretary of the Senate if it originated in the Senate, Chief Clerk of the Assembly if it originated in the Assembly, or any member of the house in which it originated. Such delivery is as effectual as though returned when the house was meeting.

SEC. 2. Section 9516 of the Government Code is amended to read:

9516. Except as otherwise provided in this section, every bill which has passed both houses of the Legislature, and has not been returned by the Governor within 12 days, thereby becoming a law, is authenticated by the Governor causing the fact to be certified thereon by the Secretary of State in the following form: "This bill having remained with the Governor 12 days, and the Legislature being in session, it has become a law this _____ day of _____, _____." The certificate shall be signed by the Secretary of State and deposited with the laws in his office.

Upon the receipt of such a bill and certificate, the Secretary of

State shall assign a chapter number to the bill in the manner provided in Section 9510.

Every bill which has been passed by the Legislature before September 1 of the second calendar year of the biennium of the legislative session, which was in the possession of the Governor on or after September 1, and which has not been returned by the Governor on or before September 30 of that year, thereby becoming a law, is authenticated by the Governor causing the fact to be certified thereon by the Secretary of State in the following form: "This bill having been passed by the Legislature before September 1 of the second calendar year of the biennium of the legislative session, having been in the possession of the Governor on or after September 1 of such year, and having remained with the Governor through September 30 of such year, it has become a law this _____ day of _____." The certificate shall be signed by the Secretary of State and deposited with the laws in his office.

Upon the receipt of such a bill and certificate, the Secretary of State shall assign a chapter number to the bill in the manner provided in Section 9510.

CHAPTER 24

An act to amend Sections 45203 and 88203 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, relating to school classified employees.

[Approved by Governor April 6, 1977. Filed with Secretary of State April 7, 1977.]

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

SECTION 1. Section 45203 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

45203. All probationary or permanent employees a part of the classified service shall be entitled to the following paid holidays provided they are in a paid status during any portion of the working day immediately preceding or succeeding the holiday: January 1, February 12 known as "Lincoln Day," the third Monday in February known as "Washington Day," the last Monday in May known as "Memorial Day," July 4, the first Monday in September known as "Labor Day," November 11 known as "Veterans Day," that Thursday in November proclaimed by the President as "Thanksgiving Day," December 25, every day appointed by the President, or the Governor of this state, as provided for in subdivisions (b) and (c) of Section 37220 for a public fast, thanksgiving or holiday, or any day declared a holiday under Section 1318 or 37222 for classified or certificated employees. School recesses during the Christmas and Easter periods shall not be considered holidays for classified

employees who are normally required to work during that period; provided, however, that this shall not be construed as affecting vacation rights specified in Section 45203.

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

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

The provisions of Article 3 (commencing with Section 37220) of Chapter 2 of Part 22 of this division shall not be construed to in any way limit the provisions of this section, nor shall anything in this section be construed to prohibit the governing board from adopting separate work schedules for the certificated and the classified services, or from providing holiday pay for employees who have not been in paid status on the days specified herein. Notwithstanding the adoption of separate work schedules for the certificated and the classified services, on any schoolday during which pupils would otherwise have been in attendance but are not and for which certificated personnel receive regular pay, classified personnel shall also receive regular pay whether or not they are required to report for duty that day.

This section shall apply to districts that have adopted the merit system in the same manner and effect as if it were a part of Article 6 (commencing with Section 45240) of this chapter.

SEC. 2. Section 88203 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

88203. All probationary or permanent employees a part of the classified service shall be entitled to the following paid holidays provided they are in a paid status during any portion of the working day immediately preceding or succeeding the holiday: January 1, February 12 known as "Lincoln Day," the third Monday in February known as "Washington Day," the last Monday in May known as "Memorial Day," July 4, the first Monday in September known as "Labor Day,"November 11 known as "Veterans Day," that Thursday in November proclaimed by the President as "Thanksgiving Day," December 25, every day appointed by the President, or the Governor of this state, as provided for in subdivisions (b) and (c) of Section 79020 for a public fast, thanksgiving or holiday, or any day declared a holiday under Section 1318 or 79022 for classified or certificated employees. School recesses during the Christmas and

Easter periods shall not be considered holidays for classified employees who are normally required to work during that period; provided, however, that this shall not be construed as affecting vacation rights specified in Section 88203.

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

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

The provisions of Article 3 (commencing with Section 79020) of Chapter 8 of Part 48 of this division shall not be construed to in any way limit the provisions of this section, nor shall anything in this section be construed to prohibit the governing board from adopting separate work schedules for the certificated and the classified services, or from providing holiday pay for employees who have not been in paid status on the days specified herein. Notwithstanding the adoption of separate work schedules for the certificated and the classified services, on any schoolday during which students would otherwise have been in attendance but are not and for which certificated personnel receive regular pay, classified personnel shall also receive regular pay whether or not they are required to report for duty that day.

This section shall apply to districts that have adopted the merit system in the same manner and effect as if it were a part of Article 3 (commencing with Section 88060) of this chapter.

CHAPTER 25

An act to add Section 31725.7 to the Government Code, relating to the County Employees Retirement Law of 1937.

[Approved by Governor April 6, 1977. Filed with Secretary of State April 7, 1977.]

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

SECTION 1. Section 31725.7 is added to the Government Code, to read:

31725.7. If a final determination is not made upon an application for disability retirement within 90 days after it is filed with the board, the member may, if eligible, apply for, and the board in its discretion may grant, a service retirement allowance pending the determination of his entitlement to disability retirement. If he is found to be eligible for disability retirement, appropriate adjustments shall be made in his retirement allowance retroactive to the effective date of his disability retirement as provided in Section 31724.

This section shall not be construed to authorize a member to receive more than one type of retirement allowance for the same period of time nor to entitle any beneficiary to receive benefits which the beneficiary would not otherwise have been entitled to receive under the type of retirement which the member is finally determined to have been entitled. In the event a member retired for service is found not to be entitled to disability retirement he shall not be entitled to return to his job as provided in Section 31725.

If the retired member should die before a final determination is made concerning entitlement to disability retirement, the rights of the beneficiary shall be as selected by the member at the time of retirement for service. The optional or unmodified type of allowance selected by the member at the time of retirement for service shall also be binding as to the type of allowance the member receives if the member is awarded a disability retirement.

CHAPTER 26

An act to amend Section 22200 of the Education Code, relating to the State Teachers' Retirement System.

[Approved by Governor April 6, 1977. Filed with Secretary of State April 7, 1977.]

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

SECTION 1. Section 22200 of the Education Code is amended to read:

22200. The system is managed by the Teachers' Retirement Board. The members of the board are as follows:

(a) The Superintendent of Public Instruction.

(b) The State Controller.

(c) The Director of Finance.

(d) One member, who, at the time of appointment, is a member of the governing board of a school district or a community college district.

(e) Two members of the State Teachers' Retirement System, who

at time of appointment are classroom teachers in grades kindergarten through 14.

(f) One member or retirant of the system.

(g) One official of a life insurance company appointed by the Governor for a term of four years, subject to confirmation by the Senate.

(h) One official of a bank appointed by the Governor for a term of four years, subject to confirmation by the Senate.

The members of the board provided by subdivisions (d), (e) and (f) shall be appointed by the Governor for four-year terms from a list submitted by the Superintendent of Public Instruction.

The members of the board shall annually elect a chairman and vice chairman.

CHAPTER 27

An act to amend Section 90160 of the Education Code, relating to the California State University and Colleges.

[Approved by Governor April 6, 1977. Filed with Secretary of State April 7, 1977.]

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

SECTION 1. Section 90160 of the Education Code is amended to read:

90160. The trustees may, and on contracts the estimated cost of which exceeds one hundred fifty thousand dollars ($150,000) the trustees shall, require from prospective bidders answers to questions contained in a standard form of questionnaire and financial statement including a complete statement of the prospective bidder's financial ability and experience in performing public works. When completed, the questionnaire and financial statement shall be verified under oath by the bidder in the manner in which pleadings in civil actions are verified.

CHAPTER 28

An act relating to water conservation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 6, 1977. Filed with Secretary of State April 7, 1977.]

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

SECTION 1. The Legislature finds and declares that water conservation, in conjunction with existing and future major water facilities which provide long-term carryover water storage, is an important and necessary element of providing adequate water supplies at a reasonable cost to meet water needs in accordance with the California Water Plan.

SEC. 2. The Legislature hereby appropriates six hundred thousand dollars ($600,000) from the General Fund to the Department of Water Resources for expenditure during the 1976–1977 and the 1977–1978 fiscal years, for the purpose of making a pilot water conservation study. To the extent feasible, such funds may be commingled with other federal, state, and local funds.

The pilot study shall consist of, but shall not be limited to, the purchase, distribution, and installation, where appropriate, of water conservation devices which reduce shower and toilet consumption. These devices shall consist of, but shall not be limited to, low flow showerheads or showerhead flow restrictors, and toilet tank displacement devices or other toilet tank flow reducing devices. The study shall include the evaluation of distribution methods where devices are distributed free and where individuals pay for the devices. In purchasing devices, the request for bids shall not specify any particular type of toilet or shower device. Upon receipt of bids, the department shall select one or more bids based upon unit price, effectiveness in conserving water, ease of installation, durability, cost-effectiveness, useful life, applicability to widely used bathroom fixtures, and effect on operation of other household water using devices. The department shall assess the effectiveness of installed devices in reducing water and energy consumption, including devices which have been installed by consumers in their own residences.

The pilot study shall be undertaken in at least three communities, selected by the Director of Water Resources, which have varying water supply conditions. The department shall obtain local participation of at least 10 percent of the cost of the pilot study. The department shall submit a preliminary report on the results of the study to the Legislature on or before July 31, 1977, and a final report on or before December 31, 1977.

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

The Legislature finds and declares that the continuing drought is causing increasing hardships and crises in many areas of the state. The Legislature further finds and declares that the economic, social, and environmental consequences of the drought may be significantly alleviated by a statewide water conservation program which could be implemented by the Legislature, by cities and counties, or by local water districts, if this pilot study is determined to be successful.

In order to implement the conservation methods developed in this

pilot study in this critically water short year, it is, therefore, necessary that this act take effect immediately.

CHAPTER 29

An act making an appropriation to pay the claims of Joel A. Valeu, Faye Ann Valeu, and Donald W. Valeu and declaring the urgency thereof, to take effect immediately.

[Became law without Governors signature April 11, 1977. Filed with Secretary of State April 11, 1977.]

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

SECTION 1. The sum of two hundred twenty-five thousand dollars ($225,000) is hereby appropriated from the General Fund to the Department of Justice for settlement of the claims of Joel A. Valeu, Faye Ann Valeu, and Donald W. Valeu against the State of California.

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

In order to settle, out of court, an action against the state for personal injury, thereby terminating a lengthy court procedure and ending a hardship to the injured person as quickly as possible, it is necessary for this act to take effect immediately.

CHAPTER 30

An act to amend Section 2325 of, and to add Section 2280 to, the Revenue and Taxation Code, relating to property taxation.

[Became law without Governors signature April 12, 1977. Filed with Secretary of State April 12, 1977.]

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

SECTION 1. Section 2280 is added to the Revenue and Taxation Code, to read:

2280. (a) A local agency may levy, or have levied on its behalf, a rate in addition to the maximum property tax rate established pursuant to this chapter for purposes authorized by this section.

(b) In the event that a local agency desires to levy a property tax rate for a specified purpose, it shall submit a proposal to levy such a tax to the qualified voters thereof for approval. The proposal shall specify the maximum rate to be levied.

(c) An election held pursuant to this section shall be called, held

and conducted in the same manner as required by Article 6 (commencing with Section 2285).

(d) In the event that the qualified voters of a local agency approve an additional property tax rate as provided in this section, such tax rate may be levied for the purpose specified in the ballot proposition.

(e) Once the purpose for which the additional property tax rate was authorized has been accomplished, the additional rate shall terminate.

(f) The proposal may specify a date on which the special property tax rate shall terminate.

SEC. 2. Section 2325 of the Revenue and Taxation Code is amended to read:

2325. Annually, no later than 15 days after the property tax rate for a local agency has been fixed, each local agency shall report to the Controller, on a form to be specified by the Controller, the property tax rate levied by, or on behalf of, the agency for the current fiscal year. Such information shall show the amount of the rate, if any, levied pursuant to Sections 2260, 2261, 2262, 2262.1, 2263, 2263.1, 2263.2, 2263.3, 2264, 2265, 2266, 2266.1, 2267, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, and 2280. Information with respect to any rate levied pursuant to Section 2270 shall also indicate the rate levied to pay interest and redemption charges on bonded indebtedness, the rate levied to pay the cost of retirement and pension benefits and the rate levied to make payments to special funds as required by charter. The Controller shall, by regulation, require any tax rate exempt from rate limitations imposed by this chapter to be reported in the manner specified by this section.

CHAPTER 31

An act to repeal and add Section 25211.33 of the Government Code, relating to county service areas, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 13, 1977. Filed with Secretary of State April 13, 1977.]

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

SECTION 1. Section 25211.33 of the Government Code is repealed.

SEC. 2. Section 25211.33 is added to the Government Code, to read:

25211.3. The Revenue Bond Law of 1941 provided for in Chapter 6 (commencing with Section 54300) of Part 1 of Division 2 of Title 5 is applicable to county service areas for the purpose of providing funds for the acquisition, construction, improving or financing of any public improvement authorized by this chapter which is not inconsistent with the provisions of Section 54310. The board may also issue revenue bonds under the Revenue Bond Law of 1941 on behalf

of any improvement area created pursuant to this article and any election for the issuance of such revenue bonds shall be limited to the area of such improvement area. If revenue bonds are so issued on behalf of an improvement area:

(a) No proceeds of such revenue bonds shall be used to finance public improvements to provide service outside the area of the improvment area; and

(b) Only revenues which are derived from rates or charges for the providing of service within the area of the improvement area shall be pledged to or used to pay such revenue bonds.

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

County service areas are not presently able to issue revenue bonds. This bill would enable county service areas to issue revenue bonds to finance needed improvements and would permit a revenue bond election to be held at the earliest possible date. Therefore, this act must go into immediate effect.

CHAPTER 32

An act to amend Sections 384b, 384c, and 384d of the Penal Code, relating to desert plants, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 13, 1977. Filed with Secretary of State April 13, 1977.]

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

SECTION 1. Section 384b of the Penal Code is amended to read:

384b. For the purposes of Sections 384c through 384f, inclusive, unless the context otherwise requires, the definitions contained in this section shall govern the construction of such sections. "Person" shall include an employee with wages as his sole compensation and "permit" means a permit as required by Section 384a.

(a) "Tree" means any evergreen tree or top thereof which is harvested without having the limbs and foliage removed.

(b) "Shrub" means any toyon or Christmas red-berry shrub or any of the following native desert plants: all species of the family Cactaceae (cactus family); and Agave deserti (desert agave), Agave utahensis (Utah agave), Nolina bigelovii, Nolina parryi (Parry nolina), Nolina wolfii, Yucca baccata, Yucca brevifolia (Joshua tree), Yucca schidigera (Mohave yucca), Yucca whipplei (Whipple yucca), Cercidium floridum (blue palo verde), Cercidium microphyllum (little leaf palo verde), Dalea spinosa (smoke tree), Olneya tesota (ironwood tree), and Fouquieria splendens (ocotillo), or any part

thereof, except the fruit thereof, which is harvested without having the limbs and foliage removed.

(c) "Bough" means any limb or foliage removed from an evergreen tree.

(d) "Peace officer" means any county or state firewarden, personnel of the California Department of Forestry as designated by the Director of Forestry, personnel of the U.S. Forest Service as designated by the Regional Forester, Region 5 of the U.S. Forest Service, personnel of the U.S. Department of the Interior as designated by them, or any peace officer of the State of California.

(e) "Harvest" means to remove or cut and remove from the place where grown.

(f) "Harvester" means a person who harvests a tree, shrub or bough.

SEC. 2. Section 384c of the Penal Code is amended to read:

384c. Persons purchasing trees, shrubs or boughs from harvesters thereof shall not transport more than five trees or more than five native desert plants or more than five pounds of shrubs or boughs on the public roads or highways without obtaining from the seller of such trees, shrubs or boughs and having validated as provided in Section 384d a transportation tag for each load of such trees, shrubs or boughs.

Unless a valid transportation tag issued in California for a tree, shrub, or bough has already been obtained, persons who harvest trees, shrubs or boughs from their own land or the land of another or who are in possession of trees, shrubs or boughs shall, before transporting on the public roads or highways or selling or consigning for removal and transportation over the public roads and highways more than five trees or more than five native desert plants or more than five pounds of other shrubs or boughs, file with the sheriff of each county in which such trees, shrubs or boughs are to be harvested an application for transportation tags and obtain a supply of such transportation tags sufficient to provide one tag for each load of trees, shrubs or boughs to be so transported or sold.

No person shall knowingly make any false statement on any application for such transportation tags and the application shall contain, but is not limited to the following information:

(a) The name and address of the applicant.

(b) The amount and species of trees, shrubs or boughs to be transported.

(c) The name of the county from which the trees, shrubs or boughs are to be removed.

(d) A legal description of the real property from which the trees, shrubs or boughs are to be removed.

(e) The name or names of the owner of the real property from which the trees, shrubs, or boughs are to be removed.

(f) The applicant's timber operator permit number, if the harvesting of the trees, shrubs, or boughs is subject to the Z'berg-Nejedly Forest Practice Act of 1973 (Chapter 8 (commencing

with Section 4511) of Part 2 of Division 4 of the Public Resources Code).

(g) The destination of such trees, shrubs or boughs.

(h) The proposed date or dates of such transportation.

Every applicant shall, at the time of application, show to the sheriff his permit or proof of ownership of the trees, shrubs or boughs. The application forms and transportation tags shall be printed and distributed by the State of California, Department of Justice, to the sheriff of each county.

SEC. 3. Section 384d of the Penal Code is amended to read:

384d. Upon the filing of an application containing the information required by Section 384c, and the presentation of a permit or proof of ownership as required by Section 384c, the county sheriff's office shall issue to persons who harvest or have in their possession, trees, shrubs or boughs within the county sufficient transportation tags stamped with the county seal and identified by the applicant's timber operator permit number, if any, to enable the person transporting any of the trees, shrubs or boughs harvested within the county by the applicant to have a tag accompany each and every load of such trees, shrubs or boughs. Harvesters of trees, shrubs or boughs, when selling from stockpile location, shall furnish to the purchaser of trees, shrubs or boughs a bill of sale and a transportation tag for each load or part thereof bearing the harvester's timber operator permit number, if any, and other information as hereinafter required.

The purchaser of harvested trees, shrubs or boughs or the harvester when transporting his own trees, shrubs or boughs shall have the transportation tag validated by a peace officer in the county of purchase or harvest or by the nearest peace officer in an adjacent county when the transportation route used does not pass an office of a peace officer in the county of purchase or harvest. The validated transportation tag or tags shall remain with the load to the marketing area.

The transportation tags shall be in two parts; one to be retained by the transporting party; one to be retained by the validating peace officer and forwarded to the county sheriff. The transportation tags shall be validated and in force only for the proposed date or dates of transportation as specified in the application for the transportation tags. The transportation tags will be validated without fee and each shall contain the following information: name and address of the person obtaining and using the tag; number or amount of each species of trees, shrubs and boughs in the load; make, model and license number of the transporting vehicle; the county of origin and county of destination; the specified period of time during which the transportation tag is in force; date and validating signature and title of a peace officer.

SEC. 4. Section 384i is added to the Penal Code, to read:

384i. (a) Sections 384a to 384f, inclusive, shall not apply to maintenance and construction activities of public agencies and their employees.

(b) Sections 384b to 384f, inclusive, shall not apply to native desert plants described in subdivision (b) of Section 384b, that have been propagated and cultivated by human beings and which are being transported under Section 6922 or 6923 of the Food and Agriculture Code, pursuant to a valid nursery stock certificate.

SEC. 5. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local governmental entities which, in the aggregate, do not result in significant identifiable cost changes.

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

Currently, irreparable damage is being done to California deserts by the removal from public and private lands of thousands of native desert plants for resale in another state. In order to preserve the California deserts, it is necessary this act take immediate effect.

CHAPTER 33

An act to validate the organization, boundaries, acts, proceedings and bonds of public bodies, as herein defined, and to provide limitations of time within which actions may be commenced in connection therewith, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 25, 1977. Filed with Secretary of State April 25, 1977.]

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

SECTION 1. The following terms shall have the following meanings herein:

(a) The term "public body" means counties, cities and counties, cities, and the following districts, authorities, agencies, boards, commissions and other entities:

Agencies, boards, commissions or entities constituted or provided for under or pursuant to Chapter 5 (commencing with Section 6500), Division 7, Title 1 of the Government Code.

Air pollution control districts.

Airport districts.

Assessment districts.

Bridge and highway districts.

California water district distribution districts.

California water district improvement districts.
California water districts.
Cemetery districts.
Citrus pest control districts.
City general improvement district improvement districts.
City general improvement districts.
City maintenance districts.
Community college districts.
Community facilities districts.
Community service districts.
Conservancy districts.
County boards of education.
County drainage districts.
County fire protection districts.
County flood control and water districts.
County maintenance districts.
County power pumping districts.
County sanitation district improvement districts.
County sanitation districts.
County service area improvement areas.
County service areas.
County sewage and water districts.
County water agencies.
County water authorities.
County water district improvement districts.
County water districts.
County waterworks districts.
Department of Water Resources and other agencies acting under and pursuant to Part 3 (commencing with Section 11100), Division 6 of the Water Code.
Drainage districts.
Fire protection districts.
Flood control and water conservation districts.
Flood control districts.
Garbage and refuse disposal districts.
Garbage disposal districts.
Harbor districts.
Harbor improvement districts.
Harbor, recreation, and conservation districts.
Highway districts.
Highway interchange districts.
Highway lighting districts.
Horticultural development districts.
Horticultural protection districts.
Housing authorities.
Irrigation district distribution districts.
Irrigation district improvement districts.
Irrigation districts.
Joint harbor improvement districts.

Joint highway districts.
Joint municipal sewage disposal districts.
Junior college districts.
Levee districts.
Library districts.
Local health districts.
Local hospital districts.
Metropolitan water districts.
Mosquito abatement districts.
Municipal facilities districts.
Municipal improvement assessment districts.
Municipal improvement district improvement districts.
Municipal improvement districts.
Municipal port districts.
Municipal sewer districts.
Municipal utility districts.
Municipal water district improvement districts.
Municipal water districts of any kind.
Parking authorities.
Parking districts.
Park, recreation and parkway districts.
Permanent road divisions.
Pest abatement districts.
Port districts.
Project areas of redevelopment agencies.
Protection districts.
Public cemetery districts.
Public utility district improvement districts.
Public utility districts.
Rapid transit authorities.
Rapid transit districts.
Reclamation districts.
Recreational harbor districts.
Recreation and park districts.
Recreation, park and parkway districts.
Redevelopment agencies.
Regional park districts.
Regional planning districts.
Resort improvement districts.
Resource conservation districts.
River port districts.
Road districts.
Sanitary agencies.
Sanitary districts.
Sanitary districts annexed areas.
School districts of any kind or class.
Separation of grade districts.
Sewer maintenance districts.
Special transit service districts.

Storm water districts.
Transit districts.
Underground utility districts.
Unified air pollution control districts.
Unified port districts.
Urban renewal agencies.
Vehicle parking districts.
Veterans' memorial districts.
Water agencies.
Water authorities.
Water conservation districts.
Water districts.
Water replenishment districts.
Water storage district improvement districts.
Water storage districts.
Weed abatement districts.
Zones of county water agencies.
Zones of county water authorities.
Zones of county waterworks districts.
Zones of flood control districts.
Zones of flood control and water conservation districts.

The term "public body" and the plural thereof, as used in this act, shall include only those entities which are specifically enumerated in this section.

(b) The term "bonds" means all instruments evidencing an indebtedness of a public body incurred or to be incurred for any public purpose, and all instruments evidencing the borrowing of money in anticipation of taxes, revenues or other income of such body, and all instruments payable from revenues or special funds of such public bodies, and all instruments funding or refunding any thereof or any indebtedness.

SEC. 2. All public bodies heretofore organized or existing under, or under color of, any law are hereby declared to have been legally organized and to be legally functioning as such public body. Every such public body shall have all the rights, powers, and privileges, and be subject to all the duties and obligations of such a public body regularly formed pursuant to law.

SEC. 3. The boundaries of every public body as heretofore established, defined, or recorded, or as heretofore actually shown on maps or plats used by the assessor, are hereby confirmed, validated, and declared legally established.

SEC. 4. All acts and proceedings heretofore taken by any public body or bodies under any law, or under color of any law, for the annexation or inclusion of territory into any such public body or for the annexation of any such public body to any other such public body or for the withdrawal or exclusion of territory from any such public body or for the consolidation, merger or dissolution of any public bodies are hereby confirmed, validated, and declared legally

effective. This shall include all acts and proceedings of the governing board of any such public body and of any person, public officer, board or agency heretofore done or taken upon the question of the annexation or inclusion or of the withdrawal or exclusion of such territory or the consolidation, merger or dissolution of such public bodies.

SEC. 5. All acts and proceedings heretofore taken by or on behalf of any public body under any law, or under color of any law, for the authorization, issuance, sale, or exchange of bonds of any such public body for any public purpose are hereby confirmed, validated, and declared legally effective. This shall include all acts and proceedings of the governing board of such public body and of any person, public officer, board or agency heretofore done or taken upon the question of the authorization, issuance, sale, or exchange of such bonds.

All bonds of any public body heretofore issued shall be, in the form and manner in which issued and delivered, the legal, valid and binding obligations of the public body. All bonds of any public body heretofore awarded and sold to a purchaser and hereafter issued and delivered in accordance with the contract of sale and other proceedings for the award and sale shall be the legal, valid and binding obligations of the public body. All bonds of any public body heretofore authorized to be issued by ordinance, resolution, order or other action adopted or taken by or on behalf of the public body and hereafter issued and delivered in accordance with such authorization shall be the legal, valid and binding obligations of the public body. All bonds of any public body heretofore authorized to be issued at an election and hereafter issued and delivered in accordance with such authorization shall be the legal, valid and binding obligations of the public body. Whenever an election has heretofore been called for the purpose of submitting to the voters of any public body the question of issuing bonds for any public purpose, such bonds, if hereafter authorized by the required vote and in accordance with the proceedings heretofore taken, and issued and delivered in accordance with such authorization, shall be the legal, valid and binding obligations of the public body.

SEC. 6. (a) The foregoing provisions of this act shall operate to supply such legislative authorization as may be necessary to validate any such acts and proceedings heretofore taken which the Legislature could have supplied or provided for in the law under which such acts or proceedings were taken.

(b) The foregoing provisions of this act shall be limited to the validation of acts and proceedings to the extent to which the same can be effectuated under the State and Federal Constitutions.

(c) The foregoing provisions of this act shall not operate to confirm, validate, or legalize any act, proceeding, or other matter the legality of which is being contested or inquired into in any legal proceeding now pending and undetermined or which may be pending and undetermined during the period of 30 days from and after the effective date of this act, and shall not operate to confirm,

validate, or legalize any act, proceeding, or other matter which has heretofore been determined in any legal proceeding to be illegal, void or ineffective.

(d) This act shall not operate to confirm, validate, or legalize a contract between any district and the United States.

SEC. 7. Any action or proceeding contesting the validity of any action or proceeding heretofore taken under any law, or under color of any law, for the formation, organization or incorporation of any public body, or for any annexation thereto, exclusion therefrom or other change of boundaries thereof, or for the consolidation, merger or dissolution of any public bodies, or for the authorization, issuance, sale or exchange of bonds thereof upon any ground involving an alleged defect or illegality not effectively validated by the prior provisions of this act and not otherwise barred by any statute of limitations or by laches must be commenced within six months of the effective date of this act; otherwise each and all of said matters shall be held to be valid and in every respect legal and incontestable. This section shall not extend the period in which any action may be brought beyond the period in which it would be barred by any presently existing valid statute of limitations.

SEC. 8. Nothing contained in this act shall be construed to render the creation of any city or district, or any change in the boundaries of any city or district, effective for purposes of assessment or taxation unless the statement, together with the map or plat, required to be filed under Sections 54900 to 54904, inclusive, of the Government Code, is filed within the time and substantially in the manner required by said sections.

SEC. 9. As used in this act, the word "now" means the date this act takes effect; the word "heretofore" means any time prior to such effective date; and the word "hereafter" means any time subsequent to such effective date.

SEC. 10. This act may be cited as the First Validating Act of 1977.

SEC. 11. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

To validate the organization, boundaries, acts, proceedings and bonds of public bodies as soon as possible, it is necessary that this act take immediate effect.

CHAPTER 34

An act to add Section 352.1 to the Evidence Code, relating to evidence.

[Approved by Governor April 25, 1977. Filed with Secretary of State April 25, 1977.]

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

SECTION 1. Section 352.1 is added to the Evidence Code, to read:

352.1. In any criminal proceeding under Section 261, Section 264.1, subdivision (d) of Section 286, or subdivision (d) of Section 288a of the Penal Code, or in any criminal proceeding under subdivision (c) of Section 286 or subdivision (c) of Section 288a of the Penal Code in which the defendant is alleged to have compelled the participation of the victim by force, violence, duress, menace, or threat of great bodily harm, the district attorney may, upon written motion with notice to the defendant or the defendant's attorney, if he or she is represented by an attorney, within a reasonable time prior to any hearing, move to exclude from evidence the current address and telephone number of any victim at such hearing.

The court may order that evidence of the victim's current address and telephone number be excluded from any hearings conducted pursuant to such criminal proceeding if the court finds that the probative value of such evidence is outweighed by the creation of substantial danger to the victim.

Nothing in this section shall abridge or limit the defendant's right to discover or investigate such information.

CHAPTER 35

An act relating to the Feather River Hospital District, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 25, 1977. Filed with Secretary of State April 25, 1977.]

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

SECTION 1. Notwithstanding any limitation as to the amount, nature, or purpose of any indebtedness or other obligation referred to in Section 32130 of the Health and Safety Code, the Feather River Hospital District may borrow money on certificates of indebtedness or other evidences of indebtedness in an amount not to exceed seventy-five thousand dollars ($75,000) for a period not exceeding five years from the date of issuance of such indebtedness. Such certificates of indebtedness or other evidences of indebtedness of the Feather River Hospital District shall be issued, offered for sale, and sold pursuant to the provisions of Section 32130 of the Health and Safety Code, and such certificates of indebtedness or other evidences of indebtedness may bear interest at a rate not exceeding 8 percent per annum. An amount sufficient to pay the principal and interest on indebtedness incurred pursuant to this section shall be set aside annually from funds collected under present property tax limits to meet current expenses of maintenance and operation of the district

and shall be used for making such payments.

SEC. 2. The Legislature finds in enacting this act that the Feather River Hospital District has a special problem with respect to short-term financing because of malpractice insurance costs and a shortage of physicians, but has a long-term operations plan which would eliminate its financial problem, and, therefore, that a general statute cannot be made applicable.

SEC. 3. This act shall remain in effect only until January 1, 1983, and as of such date is repealed, unless a later enacted statute, which is chaptered before January 1, 1983, deletes or extends such date.

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

In order for the Feather River Hospital District to borrow funds so it can continue to operate, it is necessary that this act take effect immediately.

CHAPTER 36

An act to amend Sections 40, 1042, 1330, 1891, 1904, 1908, 2104, 2502, 4200, 4210, 4321, 4364, 5012, 5016, 5018, 5204, 5454, 8203, 8210, 8211, 8212, 8240, 8242, 8245, 8246, 8248, 8250, 8250.1, 8251, 8252, 8254, 8321, 8326, 8327, 8329, 8330, 8360, 8361, 8362, 8363, 8364, 8365, 8366, 8367, 8368, 8369, 8383, 8395, 8500, 10101, 10103, 10104, 10106, 10601, 10602, 10603, 10604, 10606, 12516, 14002, 14003, 14020, 15104, 16035, 16040, 16044, 16057, 16058, 16063, 16192, 16250, 16310, 16343, 18383, 18535, 19422, 19423, 19424, 19510, 19511, 19512, 19515, 19521, 19522, 21107, 21108, 21110, 21111, 21112, 21180, 21183, 21189, 21192, 22112, 22114, 22122, 22127, 22142, 22401, 22716, 22802, 22809, 23006, 23100, 23108, 23401, 23506, 23702, 23703, 23704, 23800, 23803, 23804, 23811, 23900, 23903, 23909, 23910, 23918, 23919, 23920, 23921, 24100, 24200, 24203, 24600, 33332, 35041.5, 35101, 35174, 35214, 35300, 35330, 35511, 35512, 35515, 35518, 35704, 35705, 37220, 37228, 39002, 39140, 39143, 39149, 39210, 39214, 39227, 39230, 39321, 39363.5, 39440, 39602, 39651, 39674, 39830, 40000, 40013, 41015, 41020, 41201, 41301, 41372, 41601, 41700, 41718, 41761, 41762, 41840, 41856, 41857, 41859, 41863, 41886, 41888, 41915, 42238, 42244, 42245, 42603, 42631, 42633, 42635, 42636, 42639, 42643, 42831, 44008, 44009, 44228, 44263, 44274, 44335, 44346, 44853, 44909, 45023.5, 45057, 45203, 45205, 45207, 45250, 46010, 46111, 46300, 48011, 48200, 48265, 48412, 48414, 48938, 48980, 49061, 49063, 49065, 49068, 49069, 49070, 49075, 49076, 49077, 51226, 51767, 51872, 52002, 52012, 52015, 52113, 52309, 52315, 52317, 52321, 52324, 52372, 52500, 52506, 52517, 52570, 52612, 54002, 54006, 54123, 54125, 54665, 54666, 54669, 56336, 56601, 56717, 56811, 56829, 60014, 60101, 60201, 60202, 60204, 60222, 60223, 60261, 60640, 60643, 60664, 66602, 68014, 69273, 69274, 69511, 69532, 69536, 69538, 69565, 69566, 69582, 69583, 69584,

69602, 69604, 69605, 69621, 69623, 71046, 72023, 72246, 72419.5, 72511, 72620, 72632, 72640, 74162, 74165, 74644, 74645, 76066, 76140, 76143, 76210, 76221, 76223, 76225, 76230, 76231, 76232, 76240, 76242, 76243, 76244, 78031, 78247, 78405, 78461, 78462, 78601, 78932, 79020, 79150, 81033, 81130, 81133, 81139, 81160, 81165, 81178, 81180, 81350, 81363.5, 81390, 81602, 81651, 81820, 81822, 81831, 81833, 82321, 82508, 84035, 84040, 84201, 84301, 84322, 84324, 84327, 84362, 84520, 84521, 84522, 84526, 84528, 84533, 84701, 84706, 84790, 84817, 84836, 84838, 85132, 85133, 85133.5, 85203, 85231, 85233, 85235, 85236, 85239, 85243, 85431, 87008, 87009, 87215, 87290, 87422, 87470, 87830, 88070, 88203, 88205, 88207, 89033, 89301, 89304, 89505, 89900, 89903, 90273, 92492, 94110, 94144, 94151, 94153, 94190, 94191, and 94324 of, to amend the heading of Article 5 (commencing with Section 8360) of Chapter 2 of Part 6 of, and the heading of Article 5 (commencing with Section 19510) of Chapter 8 of Part 11 of, to add Sections 1294.5, 1910, 2112, 2113, 2500.3, 2506.5, 5015.5, 5203.5, 8243.5, 8331, 8512, 16051.5, 16071.5, 16321.7, 16330.5, 18534.3, 18534.5, 22141, 22141.5, 22229, 22504, 22608, 22725, 22726, 22727, 23400.5, 23701, 23904.5, 23910.5, 23910.6, 24104, 24105, 24202, 33318, 35016, 35046, 35511.4, 35511.5, 35512.1, 35512.2, 35512.3, 35512.4, 35512.5, 35513.5, 37065.4, 37065.5, 39002.5, 39141.6, 39234, 39384, 39617, 39645.5, 39646, 39649.5, 41716.5, 41760.5, 41836, 41841, 42239.5, 42244.2, 42244.3, 42244.4, 42244.5, 42244.6, 42244.7, 42637.5, 42649, 42650, 42901.5, 44253.5, 44253.6, 44978.5, 45206.5, 48204, 48985, 49064, 51224, 51225, 51225.5, 51411, 51760.5, 52022.5, 52310.5, 52327.5, 52331, 52501.3, 52501.5, 52610, 56033.5, 56034.5, 56613.5, 56728.5, 60200, 66903.2, 66903.4, 66903.6, 68082, 71094, 71095, 72013, 72026.5, 72241.5, 72426, 74011.5, 74161.4, 74162.3, 74162.5, 74162.7, 74163.5, 76222, 78014, 78440, 78452, 78460.5, 78462.5, 81033.5, 81131.6, 81184, 81383, 81645.5, 81646, 81649.5, 84521.5, 84524.5, 84726, 84730.5, 84850, 85112, 85134.5, 85237.5, 85265, 85266, 87781.5, 88205.5, 89519, and 89546 to, to add Article 6 (commencing with Section 1340) to Chapter 2 of Part 2, Article 2 (commencing with Section 7050) to Chapter 1 of Part 5, Article 14.5 (commencing with Section 18555) to Chapter 3 of Part 11, Chapter 1.5 (commencing with Section 33080) to Part 20, Article 8 (commencing with Section 33400) to Chapter 3 of Part 20, Article 13.5 (commencing with Section 35335) to Chapter 2 of Part 21, Article 2 (commencing with Section 39030) to Chapter 1 of Part 23, Chapter 12 (commencing with Section 43000) to Part 24, Article 3 (commencing with Section 52160) to Chapter 7 of Part 28, Chapter 13 (commencing with Section 67100) to Part 40, Article 9 (commencing with Section 81190) to Chapter 1 of Part 49, Article 4.5 (commencing with Section 84762) to Chapter 5 of Part 50, Article 2.5 (commencing with Section 89550) to Chapter 5 of Part 55, and Chapter 3.5 (commencing with Section 94360) to Part 59 of, to add and repeal Sections 10916, 39213, 39233, 46605.5, 68076.6, 68077.5, 69538.5, 81163, and 81183 of, to add and repeal Chapter 2.5 (commencing with Section 8400) of Part 6 and Article 1.5 (commencing with Section 69503) of Chapter 2 of Part 42 of, to repeal Sections 8380, 8512, 10605, 10608, 14030, 16078, 22141, 23700,

23701, 24202, 24501, 33384, 35517, 37531, 37645, 39215, 39216, 39217, 39218, 39219, 39220, 39221, 39222, 39223, 39224, 39646, 44034, 44641, 45314, 45315, 45316, 49064, 51224, 51225, 52152, 52390, 52610, 52613, 54109, 54425, 54601, 54640, 54641, 54670, 56616, 56630, 56631, 56632, 58513, 60200, 60247, 60630, 60631, 60632, 68110, 74167, 76222, 78000, 78400, 78440, 78450, 78460, 78463, 78615, 81166, 81167, 81168, 81169, 81170, 81171, 81172, 81173, 81174, 81175, 81646, 84524, 84525, 84721, 84722, 84723, 84731, 84760, 84770, 84780, 84850, 85112, 85130, 85135, 85136, 85137, 85138, 85139, 85140, 85141, 87034, 88133, 88134, and 88135 of, and to repeal Article 2 (commencing with Section 5050) of Chapter 1 of Part 4, Chapter 4 (commencing with Section 5500) of Part 4, Article 4 (commencing with Section 54680) of Chapter 9 of Part 29, and Article 3 (commencing with Section 84550) of Chapter 4 of Part 50 of, the Education Code as enacted by Chapter 1010 and Chapter 1011 of the Statutes of 1976, and to repeal Sections 91, 190.5, 373, 403, 472, 473, 474, 475, 477, 653, 895.12, 924.6, 945.1, 1009.7, 1070, 1073, 1081.5, 1102, 1114, 1117.5, 1118, 1120, 1203.2, 1203.5, 1251, 1463, 1992, 1992.1, 1992.2, 1993, 1993.1, 1993.2, 1993.3, 1993.4, 1993.5, 1994.1, 1996, 1999, 2369, 2370, 3100, 3106, 3202, 3255, 5201, 5207, 5302, 5605.15, 5605.16, 5701, 5702.1, 5702.5, 5708, 5746, 5746.1, 5749.8, 5750.6, 5750.10, 5753, 5753.1, 5756, 5756.1, 5756.5, 5757, 5757.1, 5764.5, 5768.2, 5768.6, 5769, 5769.4, 5778, 5778.5, 5779, 5780, 5902, 5985.1, 5991, 6443.5, 6445.1, 6445.11, 6445.14, 6445.22, 6499.56, 6499.57, 6499.60, 6499.232, 6499.237, 6750.1, 6755.4, 6812.1, 6820.5, 6871.6, 6872.1, 6880.16, 6880.46, 6950.6, 7020, 7451.7, 7451.11, 7455.3, 7456, 7459, 7460, 7463.5, 7466.5, 8573, 8574, 8574.5, 8575, 9222, 9322, 9400, 9401, 9402, 9404, 9422, 9423, 9461, 10705, 10805.1, 10921, 10926, 10932, 10934, 10935, 10936, 10939, 10940, 10941, 10946, 10947, 10948, 10953, 11002, 11251, 11475, 11475.1, 11475.2, 11475.5, 11476.1, 11477, 11481, 11487, 11501, 12101, 12101.1, 12406, 12603, 12605, 12851, 12910, 12911, 13116.1, 13125.4, 13125.5, 13134, 13135.1, 13166, 13175, 13220.16, 13271, 13329, 13401.5, 13468.4, 13501.5, 13529, 13656, 13656.2, 13656.4, 13657, 13708, 13830, 13832, 13835.2, 13838, 13846.5 as added by Chapter 1308 of the Statutes of 1976, 13846.5 as added by Chapter 1412 of the Statutes of 1976, 13846.8, 13870.2, 13931, 13946, 13969, 13988.1, 13988.2, 13988.3, 13997, 14023, 14031, 14056, 14070, 14076, 14084.1, 14100.5, 14111, 14116.5, 14116.10, 14152, 14153, 14154, 14155, 14180, 14185, 14186, 14189, 14210, 14210.5, 14214, 14214.1, 14214.3, 14220.1, 14220.5, 14225, 14226, 14227, 14228, 14245, 14245.2, 14260, 14280, 14283, 14284, 14390, 15002.1, 15002.2, 15002.3, 15451, 15452.3, 15454, 15459.1, 15501, 15503.1, 15503.5, 15516, 15518, 15518.01, 15518.2, 15716, 15802.1, 15815, 15835, 15955.3, 15955.5, 15957.1, 15958, 16051.1, 16053.1, 16075, 16501, 16521, 16665, 16702, 16709, 16710, 16711, 16720, 16721, 16722.1, 16725, 16726, 16728, 16730, 16730.1, 16732, 16733, 16735, 16740.5, 16746, 16746.5, 16750, 16751, 16752, 16760, 16761, 16762, 16763, 16764, 16765, 16766, 16767, 16768, 16769, 16783, 16794, 16851, 17203, 17206, 17262, 17301, 17301.2, 17301.9, 17301.12, 17301.13, 17303.5, 17303.6, 17402, 17407, 17411.1, 17503, 17601.1, 17611, 17651, 17667, 17668.6, 17668.8, 17669, 17701.4, 17702, 17702.2, 17946, 17951, 17951.1, 17970, 18055, 18056, 18057, 18060,

18102.6, 18102.9, 18151, 18258, 19576, 19578, 19581, 19584.4, 19589, 19590, 19594, 19601.5, 19682.5, 19699.9, 19700.51, 19700.78, 19700.608, 19700.695, 20065, 20067, 20076, 20078, 20110, 20204, 20212, 20213, 20450.5, 20452, 20456.4, 20803, 20905, 20905.55, 20906, 20906.1, 20906.2, 20906.3, 20906.4, 20906.5 as added by Chapter 323 of the Statutes of 1976, 20906.5 as added by Chapter 397 of the Statutes of 1976, 20907, 20935, 20935.1, 20935.15, 20935.2, 20954, 21102, 21104, 21106, 21107, 21107.6, 21109, 21113, 21118, 21119, 21352, 21702.2, 22601, 22712.5, 22712.6, 22712.7, 22809, 22855.5, 22856.5, 22859.6, 23583.22, 23604.5, 23802, 23805, 24054, 24055, 24204, 24217, 24317, 25393, 25411.5, 25411.7, 25424.3, 25425, 25430.1, 25430.3, 25430.4, 25430.5, 25430.7, 25430.8, 25430.9, 25430.10, 25430.12, 25430.14, 25430.15, 25430.16, 25457.5, 25502.1, 25505.4, 25505.8, 25505.20, 25506.5, 25515.3, 25515.7, 27803, 27804, 27805, 27901, 27902, 27902.1, 27903, 27952, 27953, 28204, 28455.1, 28455.2, 28456, 29042, 30303, 30313, 30320, 30321.5, 30328, 30329, 31026, 31058, 31059, 31061, 31062, 31063, 31151, 31154, 31160, 31163, 31913, 31913.5, 40201, 40402, 40405, 40406, 40406.5, 41006, 41007, 41201.1, 41202, 41203, 41402, 41403.1, 41404, 41801, 41803, 42200, 42401, 43003, 43203, 45000, and 45022 of, to repeal Article 2.5 (commencing with Section 27) of Chapter 1 of Division 1, Article 7 (commencing with Section 490) of Chapter 3 of Division 2, Article 9.5 (commencing with Section 1084) of Chapter 3 of Division 4, Article 14.5 (commencing with Section 1900) of Chapter 6 of Part 2 of Division 1 of Title 1, Chapter 5.76 (commencing with Section 5767) of Division 6, Article 1.5 (commencing with Section 12930) of Chapter 1 of Division 10, Article 2 (commencing with Section 15051) of Chapter 1 of Division 11, Division 12.4 (commencing with Section 16690), Article 8.2 (commencing with Section 17971) of Chapter 3 and Chapter 3.9 (commencing with Section 20940) of Division 14, Chapter 1.2 (commencing with Section 22509) and Chapter 4.5 (commencing with Section 22670) of Division 16.5, Article 3 (commencing with Section 24320) of Chapter 9 of Division 18, Article 11.5 (commencing with Section 28520) of Chapter 6 of Division 20, Chapter 1.5 (commencing with Section 29090) of Division 21, and Article 1 (commencing with Section 40100) of Chapter 1 of Division 25 of, and to repeal the headings of Chapter 4 (commencing with Section 16760) of Division 12.5, and Article 4 (commencing with Section 27901) of Chapter 5 of Division 20 of, the Education Code as enacted by Chapter 2 of the Statutes of 1959, relating to education law and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 29, 1977. Filed with Secretary of State April 29, 1977.]

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

SECTION 1. This act shall be known and may be cited as the 1977 Education Code Supplemental Act.

SEC. 1.5. Section 40 of the Education Code as enacted by Chapter

1010 of the Statutes of 1976 is amended to read:

40. (a) It is the policy of the state that elementary and secondary school and community college classes and courses, including nonacademic and elective classes and courses be conducted, without regard to the sex of the student enrolled in such classes and courses.

(b) No school district or community college district shall prohibit any student from enrolling in any class or course on the basis of the sex of the student, except a class subject to Section 51550.

(c) No school district or community college district shall require students of one sex to enroll in a particular class or course, unless the same class or course is also required of students of the opposite sex.

(d) No school counselor, teacher, instructor, administrator, or aide shall, on the basis of the sex of a student, offer vocational or school program guidance to students of one sex which is different from that offered to students of the opposite sex or, in counseling students, differentiate career, vocational or higher education opportunities on the basis of the sex of the student counseled. Any school personnel acting in a career counseling or course selection capacity to any pupil shall affirmatively explore with such pupil the possibility of careers, or courses leading to such careers, that are nontraditional for that pupil's sex. The parents or legal guardian of the pupil shall be notified in a general manner at least once in the manner prescribed by Section 48980, in advance of career counseling and course selection commencing with course selection for the seventh grade so that they may participate in such counseling sessions and decisions.

(e) Participation in a particular physical education activity or sport, if required of students of one sex, shall be available to students of each sex.

SEC. 2. Section 1042 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

1042. County boards of education may:

(a) Adopt rules and regulations governing the administration of the office of the county superintendent of schools.

(b) Review the county superintendent of schools annual itemized estimate of anticipated revenue and expenditures before such annual itemized estimate is filed with the auditor as required by Section 29040 of the Government Code and make such revisions, reductions or additions therein that it deems advisable and proper. No such itemized estimate shall be filed by the county superintendent of schools or be approved by the board of supervisors until it has first been so reviewed and approved by the county board of education.

(c) In the name by which the board of education is designated, acquire, hold and convey real property for the purpose of housing the offices and the services of the county superintendent of schools, except that this subdivision shall only apply to such county boards of education to which all the duties and functions of the county board of supervisors have been transferred pursuant to Section 1080.

(d) Contract with and employ any persons for the furnishing to the

board of special services and advice in financial, economic, accounting, engineering, legal, or administrative matters if such persons are specially trained and experienced and competent to perform the special services required. The board may pay from any available funds such compensation to such persons as it deems proper for the services rendered.

SEC. 3. Section 1330 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

1330. The Superintendent of Public Instruction or Board of Governors of the California Community Colleges as the case may be shall represent, and exercise all rights of appeal under this part on behalf of school employers or arrange with a county superintendent of schools or make designation thereof consistent with this section for the filing of appeals for school employers and for the representation of school employers at hearings held under Part 1 (commencing with Section 100) of Division 1 of the Unemployment Insurance Code. The cost of services provided by the Superintendent of Public Instruction or Board of Governors of the California Community Colleges under this section and under Article 6 (commencing with Section 821) of Chapter 3 of Part 1 of Division 1 of the Unemployment Insurance Code shall be paid from the Classified School Employees Fund. The Superintendent of Public Instruction or Board of Governors of the California Community Colleges is hereby authorized to obtain pertinent personnel records and data from any school employer and to act as an agent individually or collectively for school employers in matters pertaining to unemployment insurance.

Each county superintendent of schools, unless notified by the administrator or the Superintendent of Public Instruction or Board of Governors of the California Community Colleges to the contrary, shall perform such duties and render such services as required to implement such program. Any district, combination of districts, county, combination of counties, or combination of counties, school districts, or community college districts, may be designated by the Superintendent of Public Instruction or Board of Governors of the California Community Colleges whereby one agency may administer the program for the purpose of consolidation for economy and employment of specialists. This consolidation may include the services of a regional data center operated by a county superintendent of schools or the data-processing services of a school district, or community college district.

Each school employer shall perform pursuant to Article 6 (commencing with Section 821) of Chapter 3 of Part 1 of Division 1 of the Unemployment Insurance Code and shall respond to the Superintendent of Public Instruction or Board of Governors of the California Community Colleges and the county superintendent of schools or designated agency as soon as possible, in no case later than 48 hours, to inquiries made on behalf of such county superintendent or the Superintendent of Public Instruction or Board of Governors

of the California Community Colleges in reference to any aspect of eligibility, notice of claim or appeal under the unemployment insurance program. Each county superintendent or agent thereof who is responsible for administering the unemployment insurance program shall be responsible for timely responses to any inquiry by the administrator, Superintendent of Public Instruction, State Treasurer, State Controller, or other officer or person responsible for disbursements on behalf of the joint account, the Classified School Employees Fund in the State Treasury as established by Section 822 of the Unemployment Insurance Code, and the Unemployment Fund in the State Treasury. Any school employer which fails to pay the contributions, interest, charges or levies within the time required shall be liable for interest on moneys due at the rate of 1 percent per month or fraction thereof from and after the date of delinquency until paid. If, except as stated in Section 828 of the Unemployment Insurance Code with reference to Section 826 thereof, the school employer fails, without good cause, to pay any sums required within the time required a penalty of 10 percent of the amount noticed, billed or required shall be made by the administrator. The administrator may for good cause waive all or a portion of interest and penalty.

SEC. 4. Section 1891 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

1891. Notwithstanding any other provisions of this code, any school district having an average daily attendance of 400,000 or more, or two or more districts under the jurisdiction of a county superintendent of schools of a county of the first class, determined pursuant to Section 28022 of the Government Code, with a combined average daily attendance of 40,000 or more, and having an average assessed valuation per unit of average daily attendance equal to or less than the countywide assessed valuation per unit of average daily attendance, which jointly or cooperatively maintain programs under a joint powers agreement, may contract with a county superintendent of schools or with another school district, pursuant to Section 11001, for the education of physically handicapped pupils, mentally retarded pupils, or educationally handicapped pupils of any contracting party. Any such contract shall require the district or districts whose pupils are receiving educational services thereunder to pay all costs of such educational services which are in excess of the amounts which may be received by the party providing the educational services, apportioned from the State School Fund for the average daily attendance of such pupils. Whenever a county superintendent of schools is a party to such a contract, no tax shall be levied to defray the costs of educational services under the contract by any party other than the school district or districts whose pupils are receiving such educational services.

For the purposes of this section, average daily attendance, and assessed valuation per unit of average daily attendance, shall be as shown by the annual report of the county superintendent of schools

for the preceding year.

SEC. 5. Section 1904 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

1904. For all schools or classes maintained by the county superintendent of schools as authorized by Section 1906 in any county jail, or any county industrial farm or county or joint county road camp, the Superintendent of Public Instruction shall allow the same amount as he would compute for the adult foundation program of a high school district under Section 41712.

For purposes of this section, the Superintendent of Public Instruction shall, by rules and regulations, establish minimum standards for the conduct of the schools or classes, including, but not necessarily limited to, class size, attendance requirements, and requirements concerning records to be kept and reports to be submitted.

SEC. 6. Section 1908 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

1908. (a) The board of supervisors of the county shall transfer from the general fund of the county to the county school service fund of the county superintendent of schools such sums, in excess of the amount of money received from the state by the county superintendent of schools, as the county board of education has deemed necessary to maintain the school programs in the county jail, county industrial farm or county or joint county road camps as described in Section 1906.

(b) The board of supervisors, in lieu of proceeding under subdivision (a), shall agree with the governing board of the school district providing classes or schools for prisoners, to transfer from the general fund of the county to the general fund of the district such sums, in excess of the amount of money received on the basis of average daily attendance in such programs, as is necessary to maintain its school programs in the county jail, county industrial farm or county or joint county road camps as described in Section 1907.

SEC. 7. Section 2104 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

2104. The tax when collected shall be paid into the county treasury and placed in the community college tuition fund which fund is continued in existence.

Any balance remaining in the county community college tuition fund at the close of the third fiscal year following the inclusion of the remaining nondistrict territory of a county into a community college district or districts shall be used to reduce the county tax rate in the subsequent fiscal year.

SEC. 8. Section 2502 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

2502. The maximum tax rate the county superintendent of schools may levy pursuant to Section 1806, 52317, and 56811 shall be that necessary to fund the proposed authorized expenditures, exclusive of

capital outlay, after all federal aid, state aid, and local income, other than from property tax revenue has been deducted, but in no case shall the rate exceed that limit prescribed in Section 1806, 52317, and 56811 for current expenses only.

Nothing in this section shall be construed to prohibit federal or state aid for regional occupational centers or programs from being expended for capital outlay purposes.

SEC. 9. Section 4200 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

4200. It is the intent and purpose of the Legislature that the procedures prescribed by the provisions of this chapter and Article 2 (commencing with Section 4240) of this chapter be utilized primarily for the formation of unified school districts, and that this form of organization be ultimately adopted throughout the state. It is the further intent of the Legislature that in exercising the authority to approve master plans and plans and recommendations developed at the local level, the State Board of Education consider the boundaries of existing high school districts as the minimum geographical base for the organization of individual unified school districts, to be deviated from only in exceptional situations. The State Board of Education may approve proposals for the formation of districts based upon the division of the territory of existing high school districts, provided that the board has determined, with respect to the proposal and the resulting new districts that the following conditions are substantially met:

(a) That the new districts will be adequate in terms of number of pupils enrolled.

(b) That the new districts will be adequate in terms of financial ability. For purposes of determining financial ability, consideration shall be given to revenue limits per pupil, assessed valuation per pupil, and tax rates. The board may give such consideration as it deems appropriate to federal funds received by a school district under the act of Congress entitled "An act to provide financial assistance for local educational agencies in areas affected by federal activities, and for other purposes," approved September 30, 1950 (Public Law 874—81st Congress) or under any similar act of Congress.

(c) That the new districts are each organized on the basis of a substantial community identity.

(d) That the proposal will result in an equitable division of property and facilities of the original district.

(e) That the proposal and the formation of the new districts will not promote racial or ethnic discrimination or segregation. The State Board of Education may secure the advice and assistance of any other public agencies concerned with intergroup relationships for purposes of making determinations under this subdivision.

The State Board of Education may waive the criteria specified in subdivisions (a) through (e) of this section and may approve a proposal for the formation of two or more unified school districts

from the territory of a high school district if the board determines the circumstances with respect to the proposals provide an exceptional situation sufficient to justify approval of the proposals.

The State Board of Education shall adopt rules and regulations to carry out the intent of this section.

SEC. 10. Section 42..0 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

4210. (a) An elementary school which has been included in a unified district because of a reorganization of districts under provisions of this chapter or, under the provisions of Article 2 (commencing with Section 35510) of Chapter 3 of Part 21 of Division 3 of Title 2 or Article 4 (commencing with Section 74160) of Chapter 2 of Part 46 of Division 7 of Title 3 relating to formation of new school districts by petition, shall be maintained as an elementary school by the unified district unless discontinued as provided in this section. The governing board of the unified district may adopt a resolution or order to discontinue the elementary school at any regular or special meeting of the board and the order or resolution shall be in effect after 30 days unless within this period of time a petition is filed with the governing board requesting the continuance of the school signed by the parents or guardians of at least 10 or one-third, whichever number is the greater, of children of elementary school age, who are eligible to attend such school at the time of the petition. The signature of one parent is sufficient to represent all of the children of such parent. The parents or guardians eligible to sign such petitions shall be residents within the boundaries of the component elementary school district which maintained the school prior to the establishment of the unified school district, and shall be qualified electors within such district at the time the petition is filed, and shall have children of elementary school age who attend or are eligible to attend such school. An elementary school which is continued in operation by the filing of a petition pursuant to this section, shall remain in continuance for a period of three school years, unless the petition provides for a shorter period of continuance. If the governing board intends to discontinue the elementary school at the expiration of such period, it shall, commencing at least 90 days prior to the expiration of such period, publish in a newspaper of general circulation in the county, once each week for at least three weeks, a notice of intended discontinuance, and may thereafter adopt a resolution or order as heretofore provided. If a school is discontinued as herein provided, the governing board of the unified school district may maintain the building for community and civic center and other lawful purposes.

(b) Subdivision (a) of this section does not apply to any unified school district which has an average daily attendance of 15,000 or more to a school which is five miles or less from another elementary school.

SEC. 11. Section 4321 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

4321. On receipt of a petition signed by at least 10 percent or 250, whichever is the lesser, of the qualified electors residing in any district for a consideration of unification or other reorganization of any area, the county committee shall hold a public hearing. Following such hearing, the committee shall study further the matter petitioned in the manner herein described in this chapter and shall adopt a tentative recommendation following which action it shall hold one or more public hearings in the area proposed for reorganization as specified in Section 4325. If the petition involves territory already under study by the county committee, no further hearings shall be required.

The public hearing required by this section shall be called by:

(a) Sending a notice to the governing board of each school district or community college district involved at least 10 days prior to the hearing, and

(b) Posting a notice of the hearing as provided in Section 5362 or publishing a notice of the hearing as provided in Section 5363.

The notices shall contain information as to the time, place, and purpose of the hearing.

SEC. 12. Section 4364 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

4364. In any proposal for reorganization of school districts, except a community college district, recommended by a county committee, the committee shall include a provision for the authorization of a revenue limit per unit of average daily attendance for the proposed new district, and such provision shall be an inherent part of the proposal, and shall not be construed as a separate proposition. If the reorganization is approved by the registered voters of the area, such revenue limit per unit of average daily attendance shall be the maximum revenue limit per unit of average daily attendance for the type of new district formed until changed by Section 42238 or by the registered voters of the district in the manner prescribed in Section 42202. Such revenue limit per unit of average daily attendance shall not be less than the revenue limit which would be produced if (1) for the year prior to the fiscal year in which the reorganization becomes effective for all purposes, the sum of the revenue limit of each of the districts proposed to be wholly included and the proportional share of revenue limit of each district to be partially included in the proposed reorganized district is divided by the total number of units of average daily attendance that would have been in the proposed reorganized district had it been reorganized the year prior to the fiscal year in which the reorganization becomes effective for all purposes plus, (2) the revenue limit per unit of average daily attendance required to equal the amount of the difference between the average certificated and the average classified salary of each of the component districts or any portion of a district during the school year prior to that in which the district becomes effective for all purposes and the highest average certificated and highest average classified salary of any component district included in the proposal

multiplied by the number of employees in each category less the number of employees in each category of the district having the highest average salaries.

In computing the increase in the revenue limit in subdivision (2) of this section, any school district or a portion of a district to be included in any proposed reorganized district may be considered in determining the highest average salary, provided that such school district or a portion of a district contains at least 10 percent of the total number of certificated and classified employees in the proposed reorganized district, plus (3) the estimated adjustment to the revenue limit per average daily attendance pursuant to Section 42238 that the proposed reorganized district would be allowed had it been reorganized the year prior to the fiscal year in which the reorganization becomes effective for all purposes.

This section shall be subject to Section 42245.

SEC. 13. Section 5012 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

5012. In any school district or community college district governing board election the name of any registered voter shall be placed on the ballot if there is filed with the county clerk having jurisdiction not more than 89 days nor less than 68 days prior to the election:

(a) A declaration of candidacy substantially in the form set forth in subdivision (a) of Section 5032, containing the appropriate information in the blank spaces and signed by the registered voter whose name is thereby to be placed on the ballot; or

(b) Nomination by sponsors, substantially in the form set forth in subdivision (b) of Section 5032, containing the appropriate information in the blank spaces and signed by at least three but not more than 10 persons each of whom is a registered voter and a parent of a pupil enrolled in a public school in the district.

No candidate whose declaration of candidacy or nomination by sponsors has been filed for any school district or community college district governing board election or county board of education election may withdraw as a candidate after the 68th day prior to the election.

Notwithstanding any other provision of law, no person shall file nomination papers for more than one district office, including a county board of education office, at the same election.

SEC. 14. Section 5016 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

5016. (a) If a tie vote makes it impossible to determine either which of two or more candidates has been elected to the governing board or the term of office of a governing board member, the county superintendent of schools having jurisdiction shall so certify to the governing board.

(b) The governing board may either call a runoff election or determine the winner or winners by lot. Prior to conducting any school board election on or after March 1, 1977, the governing board

of each school district shall establish which of such procedures is to be employed by the district in the event of a tie vote.

(c) If the governing board decides to determine the winner by lot, the governing board shall forthwith notify the candidates who have received the tie votes to appear before it either personally or by a representative at a time and place designated by the governing board. The governing board shall at that time and place determine the winner or winners by lot.

(d) If the governing board decides to call a runoff election, it shall call a runoff election to be held in the district on the fourth Tuesday following the election at which the tie vote occurred. Only the candidates receiving the tie votes shall appear on the ballots. Any member of the governing board who will be succeeded by a winner of the runoff election and whose term would expire before the winner of the runoff election would be determined shall continue to discharge the duties of his office until his successor has qualified. The runoff election shall be called and conducted substantially in the manner provided in Chapter 3 (commencing with Section 5300) of this part, provided, that the governing board shall determine the adjustments of the time requirements prescribed therein which would be necessary in order to conduct the runoff election.

SEC. 15. Section 5018 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

5018. Any elementary school district having a governing board of three members may, and any elementary school district having a governing board of three members whose average daily attendance during the preceding fiscal year was 300 or more shall, do either of the following:

(a) By its own action determine that the number of members of the governing board shall be increased to five, in which case two additional members shall be elected at the next regular governing board member election.

(b) Request the county superintendent of schools having jurisdiction to submit the question of whether the number of members of the governing board shall be increased to five to the voters of the elementary school district at the next regular governing board member election. At the same election two additional members shall be elected to take office if the number of governing board members is increased.

Candidates for the two additional offices or their sponsors shall state in the declarations of candidacy or nominations filed for the election that the candidates are candidates for the two additional offices separately from the other offices to be filled in the election and shall clearly indicate to the voters that they may vote for two of the candidates to take office if the voters approve the proposed increase in the number of board members.

If the voters at such election do not approve such an increase in membership of the governing board, the same question may be submitted to the voters at subsequent governing board member

elections. Requests to the county superintendent to submit the question to the voters of a district shall be filed with him by the governing board of the district no later than 100 days prior to the election.

If, pursuant to either subdivision (a) or subdivision (b) of this section, two additional governing board members are authorized and elected, the one receiving the higher number of votes shall hold office for a term of four years from April 1st succeeding the election, and the other one shall hold office for a term of two years from April 1st succeeding the election. Thereafter the governing board shall be composed of five members elected in the same manner and for the same term as governing boards having five members.

SEC. 16. Section 5204 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

5204. Proceedings pursuant to Section 5203 may be conducted in conjunction with proceedings under Article 1 (commencing with Section 5000) of Chapter 1 of this part, including proceedings by the county committee on school district organization to establish trustee areas or to increase the number of members of the governing board of the school district or community college district from five to seven members, or both. In the event that the number of members of the governing board of the school district is so increased from five to seven members, the terms of office of the board members who take office at the expiration of the terms of office of the board members appointed by the county superintendent of schools shall be determined by lot. The terms of office of the majority of members of the board shall expire on March 31 of the second succeeding odd-numbered year, and the terms of the other members shall expire on March 31 of the first succeeding odd-numbered year. All subsequent members shall serve for four-year terms.

SEC. 17. Section 5454 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

5454. If more than one argument for or more than one argument against any school measure is submitted to the person conducting the election within the time prescribed, the person conducting the election shall select one of the arguments in favor and one of the arguments against the measure for printing and distribution to the voters. In selecting the arguments the person conducting the election shall give preference and priority in the order named to the arguments of the following:

(a) The governing board of the district or member or members of the board authorized by the board.

(b) The individual voter or bona fide associations of citizens, or combination of voters and associations, who are the bona fide sponsors or proponents of the measure.

(c) Bona fide associations of citizens.

(d) Individual voters.

If more than one argument is filed within the category having the highest preference and priority, the person conducting the election

shall appoint a committee of three people familiar with the issues presented by the measure who favor the position being advocated in the arguments but who have not filed an argument themselves, who shall within 10 days meet and select by majority vote the argument which most fairly and completely states the position being advocated. The decision of the committee shall be final.

SEC. 18. Section 8203 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

8203. It is the intent of the Legislature that in providing child development programs the Superintendent of Public Instruction will give priority to children of families who qualify under applicable federal statutes or regulations as former, current, or potential recipients of public assistance and other low-income and disadvantaged families. Federal reimbursement shall be claimed for any child receiving services under this division for whom federal funds are available.

It is further the intent of the Legislature to maximize the Department of Education's capacity to stimulate and coordinate resources, provide technical assistance, monitor program implementation, generate maximum federal reimbursement wherever possible for the federally eligible children, and to provide alternative funding from state and local agencies for those children for whom federal reimbursement may not be available.

SEC. 19. Section 8210 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

8210. Child development facility means any facility providing child care services or preschool programs pursuant to this division for less than 24 hours a day consistent with Section 8243 pursuant to this chapter.

SEC. 20. Section 8211 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

8211. Child development services means child care and preschool programs provided for any part of a workday by public or private agencies and may include, but is not limited to, the following:

(a) Developmental activities for prekindergarten children which are not a part of the formal school program but which will prepare them for effective matriculation into the formal school programs within the community and shall include, but not be limited to, practical life, sensorimotor, perceptual discrimination, language development and symbol-formation activities.

(b) Full- or part-day supervision, developmental activities and instruction for children 14 years of age or younger in a program approved pursuant to this division.

(c) Full- or part-day supervision and developmental activities for children five years of age or younger in a program approved pursuant to this division.

(d) Full- or part-day supervision, developmental activities and instruction of children 14 years of age or younger, for less than 24 hours a day, in a home licensed pursuant to Chapter 3 (commencing

with Section 1500) of Division 2 of the Health and Safety Code.

(e) Instruction in children's developmental activities for parents with prekindergarten children.

(f) Part-day preschool educational programs for prekindergarten age children which include, but are not limited to, comprehensive services such as educational development, health services, social services, nutritional services, parent education and parent participation, and staff development, designated as the State Preschool Program. Preschool programs as herein defined for which federal reimbursement is not available, shall be funded as prescribed by the Legislature in the Budget Act and, unless otherwise specified by the Legislature, shall not utilize federal funds made available through Title XX of the Social Security Act.

(g) Social services as necessary to insure parent-child adjustments to out-of-home-care situations, child development referral services, child placement counseling and other support services when the parent is employed, in training, or physically or mentally incapacitated.

(h) Health screening and health treatment to the extent provided by the Medi-Cal Act (Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code).

(i) Nutrition services to provide a balanced diet to needy children enrolled and instruction of food buying and preparation to the parents of children within the child development program.

(j) A nutritionally adequate breakfast or a nutritionally adequate lunch, or both.

For purposes of this article, a nutritionally adequate breakfast or lunch is a breakfast or lunch which meets one-third of the daily dietary allowance as established by the National Research Council. Where both breakfast and lunch are provided, they shall, together, provide one-half to two-thirds of this recommended daily dietary allowance.

(k) Night shift or late-hour supervision and developmental activities for children 14 years of age or younger in a program approved pursuant to this chapter.

SEC. 21. Section 8212 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

8212. The term "elementary school" contained in Section 425 of Title 20 of the United States Code (the National Defense Education Act of 1958, Public Law 85-864, as amended) shall include early childhood education programs and all child development service programs, for the purpose of the cancellation provisions of the Loans to Students in Institutions of Higher Learning.

SEC. 22. Section 8240 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

8240. The Department of Education shall develop and promote a full range of services as are essential to the creation of a child development program which will meet a wide variety of child needs. The range of services shall include as a minimum, all of the services

listed in Section 8211.

Priority shall be given by the Department of Education to the employment of persons in child development programs with ethnic backgrounds which are similar to those of the child for whom child development services are provided.

SEC. 23. Section 8242 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

8242. The Department of Education shall assist the state Departments of Employment Development, Benefit Payments, and Health by offering training and job opportunities in local child development programs to those persons who qualify under applicable federal statutes or regulations as recipients of public assistance or other low-income or disadvantaged persons.

SEC. 24. Section 8245 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

8245. The Superintendent of Public Instruction shall adopt rules and regulations that provide for procedures and standards for the accreditation of neighborhood family day care homes administered by the Department of Education pursuant to this chapter. Any neighborhood family day care home accredited by the Department of Education shall be exempt from licensure required by the provisions of Chapter 3 (commencing with Section 1500) of Division 2 of the Health and Safety Code.

SEC. 25. Section 8246 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

8246. The Superintendent of Public Instruction shall be responsible for the formulation and conducting of public hearings essential to the establishment and promotion of all aspects of this division and shall be responsible for preparing any state plan required by federal law in order that this state may qualify for any federal funds available for child care or child development services, subject to the restrictions of Section 8206.

SEC. 26. Section 8248 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

8248. The Superintendent of Public Instruction shall adopt rules and regulations which shall include standards for determining eligibility and priority of service.

Priority for service shall be established on the basis of family marital status and income, with higher priority being assigned children of single-parent families and families with the lowest incomes. Exceptions to these priority criteria shall be granted to any eligible child whose unique circumstances create a pressing need for child development services. The information necessary to establish eligibility of a child for federal reimbursement shall be completed as a part of intake procedures used in accepting a child for care or service.

The regulations formulated and promulgated pursuant to this section shall include the recommendations of the Department of Health relative to health care screening and the provision of health

care services. The Superintendent of Public Instruction shall seek the advice and assistance of these health authorities in situations where service under this chapter includes or requires care of ill or handicapped children.

This section shall become operative on the same date as Reorganization Plan No. 1 of 1970 becomes operative.

SEC. 27. Section 8250 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

8250. Notwithstanding any provision of law to the contrary, the Regents of the University of California, the Trustees of the California State University and Colleges, the governing boards of community college districts, and the governing bodies of any private nonprofit institution of postsecondary education may establish and maintain child development centers on or near their respective campuses.

The Department of Education may accept funds from the Regents of the University of California, the Trustees of the California State University and Colleges, the governing boards of community college districts, and any other private nonprofit postsecondary institutions, student fees, parent fees, any public funds, not otherwise prohibited by law, and any private funds or resources authorized by a public or private nonprofit agency as the 25-percent local share to obtain the 75-percent state matching funds. The governing board of any postsecondary education institution shall establish in its treasury a fund to be known as the "child development fund" into which shall be paid all funds received by the postsecondary institution for, or from the operation of, child development services under this division. The costs incurred in the maintenance and operation of child development services shall be paid as required pursuant to Section 8328.

The Superintendent of Public Instruction shall adopt rules and regulations to facilitate the funding and reimbursement procedures required by this division.

The Superintendent of Public Instruction, with approval by the State Board of Education, shall establish rules and regulations governing programs operated pursuant to this section which shall insure that subsidized day care provided to student families shall relate to the academic load of the child's parents. The definition of full- and part-time student shall be determined as the segment of postsecondary education defines full- and part-time student for academic purposes.

SEC. 27.5. Section 8250.1 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

8250.1. A student family, for the purposes of this chapter, shall be defined as a family with a parent enrolled in an approved academic or vocational program, including one engaged in an educational work-in-training program, leading to a degree which will either further that person's educational or employment potential, or both.

A low-income student family, for purposes of this chapter, shall be defined as a family whose gross monthly income is less than, or falls

within the fee schedule established pursuant to Section 8249.

SEC. 28. Section 8251 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

8251. The Superintendent of Public Instruction shall establish reasonable standards and maximum reimbursement rates for the delivery of specific types of child development services pursuant to Section 8211 and consistent with Section 8243. Maximum reimbursement rates shall be the equivalent of one dollar and twenty-one cents ($1.21) per child-hour for participants above the age of two and the equivalent of one dollar and forty-four cents ($1.44) per child-hour for participants age two or below, or actual program costs, whichever is less. In computing state reimbursements, parent fees shall be deducted from the maximum reimbursement rate or actual cost, whichever is less. For each fiscal year, reimbursement rates shall be prescribed by the Legislature in the Budget Act; however, the State Preschool Program and the Migrant Child Care Program shall not be covered by such reimbursement rates.

If the migrant child care programs operated pursuant to this division utilize reimbursement procedures other than payment per child-hour, which shall be permissible, the cost per child, when converted to child-hours, shall not exceed the applicable contract reimbursement level.

The Superintendent of Public Instruction may establish such regulations as he deems advisable concerning conditions of service and hours of enrollment for children in the programs.

SEC. 29. Section 8252 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

8252. No standard, rule or regulation shall require medical examination or immunization for admission to a child development program of a child whose parent or guardian files a letter with the governing board of the child development program stating that such medical examination or immunization is contrary to his or her religious beliefs, or provide for the exclusion of a child from the program because of parent or guardian having filed such a letter; provided, however, that whenever there is good cause to believe that a child is suffering from a recognized contagious or infectious disease, the child may be temporarily excluded from the program until the governing board of the school district or community college district is satisfied that any contagious or infectious disease does not exist.

SEC. 30. Section 8254 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

8254. The Governor shall appoint an advisory committee composed of one representative from the Department of Employment Development, one representative from the State Board of Education, one representative from the State Benefit Payments Board, one representative of the Director of Education, one representative of the Director of Benefit Payments, one representative of the Director of Health, one representative of

private education, one representative of child welfare, one representative of private health care, one representative of a proprietary child care agency, one representative of a community action agency qualified under Title II of the Economic Opportunity Act of 1969, and five parents of children participating in child care programs of whom at least three shall be parents of children participating in programs authorized by this chapter, appointed from names selected by a democratic process to assure representation of the parents of children being served, four persons representing professional or civic groups or public or nonprofit private agencies, organizations or groups concerned with child development, one representative from the State Advisory Health Council, and one representative from the Department of Rehabilitation. The representative from the State Advisory Health Council and the Department of Rehabilitation shall serve as ex officio members.

The advisory committee shall assist the Department of Education in developing a state plan for child development programs pursuant to this division.

The advisory committee shall continually evaluate the effectiveness of such programs and shall report thereon at each regular session of the Legislature.

A "proprietary child care agency" is an organization or facility providing child care, which is operated for profit.

SEC. 31. Section 8321 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

8321. The county superintendent of schools in each county, with the approval of the county board of education and the Superintendent of Public Instruction, shall have the authority to establish and maintain child development programs in the same manner and to the same extent as governing boards of school or community college districts, except that nothing in this section shall be construed as vesting in the county superintendents of schools any authority to alone effect the levy and collection of any county, school, or other local taxes for the support of any such centers.

The establishment and maintenance of any children's center by the county superintendent of schools shall be undertaken, subject to the prior approval of both the county board of education and the Superintendent of Public Instruction, upon the application of one or more school districts under his jurisdiction.

SEC. 32. Section 8326 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

8326. Notwithstanding any other provisions of this division, a public or private agency, a school district, a community college district or a county superintendent of schools operating child development facilities may enter into an agreement with the Employment Development Department which will provide an opportunity to participants in work incentive programs under Division 2 (commencing with Section 5000) of the Unemployment

Insurance Code for training in child development facilities. Training pursuant to such agreement shall have the objective of preparation for a career in the field of child development.

SEC. 33. Section 8327 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

8327. Notwithstanding any other provision of this chapter, the governing board of a school district or community college district, county superintendent of schools, or other unit of local general purpose government may enter into agreements with any city, city and county, or other public agency, or with a private foundation, nonprofit corporation, or proprietary child care agency as defined in Section 8254 for the furnishing to, or use by, the governing board, county superintendent of schools, or other unit of local general purpose government in carrying out the provisions of this chapter, of property, facilities, personnel, supplies, equipment and other necessary items and such city, county, city and county, other public agency, or private foundation or nonprofit corporation, is authorized to enter into such agreements.

SEC. 34. Section 8329 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

8329. The governing board of any school district or community college district maintaining a child development program may include in its budget the amount necessary to initiate, operate, and maintain a child development program pursuant to this chapter and the board of supervisors shall levy a school district tax or a community college district tax necessary to raise such amount. The tax shall be in addition to any other school district tax or community college district tax authorized by law to be levied.

The revenue derived from taxes levied pursuant to this section may be used to purchase real property and fixtures, to make alterations or additions to existing buildings, and to purchase furniture, apparatus or equipment for child development facilities maintained by the taxing district. As used in this section "purchase" includes the acquisition of property under a lease-purchase agreement.

SEC. 35. Section 8330 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

8330. The county superintendent of schools maintaining a child development program may include in its budget the amount necessary to carry out its program pursuant to this chapter. The county board of supervisors shall levy a county tax necessary to raise such amount in only those school districts, or community college districts for which the county superintendent of schools is providing or maintaining a child development program pursuant to Section 5321. Such tax shall be at a rate not to exceed ten cents ($0.10) per one hundred dollars ($100) of assessed valuation and shall be in addition to any other county tax authorized by law to be collected. The revenue derived from taxes levied pursuant to this section may be used to purchase real property and fixtures, to make alterations

or additions to existing buildings, and to purchase furniture, apparatus or equipment for child development facilities maintained by the taxing county superintendent of schools. As used in this section, "purchase" includes the acquisition of property under a lease-purchase agreement.

SEC. 35.5. The heading of Article 5 (commencing with Section 8360) of Chapter 2 of Part 6 of the Education Code, as enacted by Chapter 1010 of the Statutes of 1976, is amended to read:

Article 5. Child Development
Program Personnel Qualifications

SEC. 36. Section 8360 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

8360. The governing board of a public or private agency as defined within Section 8213 shall employ in a child development program only such persons who hold permits issued by the Commission for Teacher Preparation and Licensing. Any person holding a teaching credential issued by the State Board of Education or commission is deemed to hold a regular child development permit that will authorize supervision and instruction of children or supervision of a child development program. The filing with the county superintendent of schools of a regulation of a governing board or a public health agency requiring a physical examination of persons employed in programs shall be deemed to be the issuance of a valid permit except for persons employed in positions pertaining to the supervision and instruction of children or supervision of a program. Each person employed by the governing board of public or private agency as defined within Section 8213 for a position requiring a permit shall, not later than 95 days after the date fixed by the governing board of the agency for the commencement of his service, file with the county superintendent of schools a valid permit issued on or before such date, authorizing him to serve in a position for which he was employed, and must, not later than 95 days after the renewal thereof, file the renewed permit in the same manner.

SEC. 37. Section 8361 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

8361. Notwithstanding any other provision of law, a high school student or any other adult shall be selected by the governing board of a public or private agency as defined within Section 8213 to serve as nonteaching personnel as provided in Section 8242 to perform noninstructional work. A career ladder shall be utilized in the employment and promotion of such noninstructional personnel. Each such person shall have had a health examination made within the 12-month period preceding the date of employment. Each person shall also submit duplicate personal identification cards upon which shall appear legible fingerprints and a personal description of the applicant.

SEC. 38. Section 8362 of the Education Code as enacted by Chapter

1010 of the Statutes of 1976 is amended to read:

8362. The same fee as that prescribed for a credential provided in Section 44235 or 87272 shall be charged for either the issuance or renewal of each child development permit authorizing service in the supervision and instruction of children in child development programs or authorizing service as a supervisor in a program.

SEC. 39. Section 8363 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

8363. Child development permits issued to persons employed in positions pertaining to the supervision and instruction of children or supervision of a child development program may consist of two types, regular and provisional. Requirements for each type of permit shall be prescribed by the Commission for Teacher Preparation and Licensing.

SEC. 40. Section 8364 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

8364. Service under a provisional permit shall not be included in computing the service required as a prerequisite to attainment of, or eligibility to, classification as a permanent employee of a child development program. Such persons employed on the effective date of Chapter 1717 of the Statutes of 1965 and who have been employed for three consecutive years prior to the effective date of this legislation shall be deemed to have met the requirements for a regular permit and shall not be subject to the requirements of a provisional permit.

SEC. 41. Section 8365 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

8365. Each county or city and county board of education or community colleges board may issue temporary certificates for the purpose of authorizing salary payments to child development employees whose child development permit applications are being processed. The applicant for such a temporary certificate shall make a statement under oath that he has duly filed his application for a permit together with the required fee and that to the best of his knowledge no reason exists why he should not be issued a permit. Such certificate shall be valid for not more than 90 schooldays and only until the permit originally requested is either issued or denied by the Commission for Teacher Preparation and Licensing.

SEC. 42. Section 8366 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

8366. Each person employed by a public or private agency as defined in Section 8213 in a position requiring a child development permit for the supervision and instruction of children, or for service as a physician, dentist, or nurse, or in the supervision of the child development program, shall be deemed to be employed in a position requiring certification qualifications.

Each other person employed by an agency in a child development program under the provisions of this chapter shall be deemed for all purposes, including retirement, to be a person employed by the

agency in a position not requiring certification qualifications.

The provisions of Section 45053, 45054, 87826, or 87827 of the Education Code, as enacted by the Legislature at its 1959 Regular Session, shall not apply to employees in child development programs.

A district may lay off an employee required to have such a permit at any time during the school year for lack of work or lack of funds or may provide for his employment for not to exceed 90 days in any one school year on an intermittent basis which shall not be deemed probationary service. The order of layoff shall be determined by length of service. The employee who has served the shortest time shall be laid off first, except that no permanent employee shall be laid off ahead of a probationary employee. A permanent employee who has been laid off shall hold reinstatement rights for a period of 39 months from the date of layoff.

Service performed prior to the effective date of Chapter 2 of the Statutes of 1959 shall not be included in computing the service required as a prerequisite for attainment of, or eligibility to, classification as a permanent child development employee.

A person who is employed by an agency as a probationary employee in a position requiring a child development permit for the supervision and instruction of children, or for service as a physician, dentist, or nurse, or in the supervision of the children's program and who has served in such a position for three complete consecutive school years as defined in Sections 44908 or 87468 and 44975 or 87776 of the Education Code, immediately prior to the effective date of Chapter 2 of the Statutes of 1959 may be dismissed only in accordance with the provisions of Section 44949 or 87740.

Other persons who are employed as probationary employees in positions requiring such permits on or after the effective date of Chapter 2 of the Statutes of 1959 may be dismissed in accordance with the provisions of Section 44949 or 87740.

SEC. 43. Section 8367 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

8367. Any city, county, or city and county charter provision to the contrary notwithstanding, each person employed by an agency on July 1, 1955, and each person employed by an agency on September 11, 1957, who was theretofore excluded, solely by reason of the provisions of the predecessor of Section 16766 in effect prior to July 1, 1955, or who was therefore excluded solely by reason by the provisions of the predecessor of this section prior to September 11, 1957, from membership in any retirement system in which the agency participates or to which it contributes for the purpose of providing retirement rights and benefits for employees of the agency not employed in a status requisite for membership in the State Teachers' Retirement System, shall become a member of the retirement system from which he was excluded, on July 1, 1955, or on September 11, 1957, if theretofore excluded solely by reason of the provisions of the predecessor of this section in effect prior to that date. Every such member shall be entitled to credit for service in

child development programs rendered prior to July 1, 1955, or prior to September 11, 1957, if therefor excluded, and before he became a member of the system, in the same manner as if he had not theretofore been excluded from membership in the retirement system, except that he shall not be required to make any contributions to the retirement system in respect to such service rendered prior to his membership, and all contributions necessary to provide benefits on account of such service shall be paid to the retirement system by the agency by which the member is employed. For the purpose of computing benefits for services rendered prior to July 1, 1955, as provided in this section, the average monthly salary earned by such employee in the fiscal year 1954–55 shall be used and for the purpose of computing benefits for service rendered between July 1, 1955, and September 11, 1957, for members receiving credit for service between those dates under the provisions of the predecessor of this section as amended by Chapter 1238 of the Statutes of 1957, the average monthly salary earned by such employees in the fiscal year 1956–57 shall be used.

Notwithstanding any other provisions of this section, for the purpose of computing benefits for any person retired on and after January 1, 1958, for services rendered prior to July 1, 1955, as provided in this section, and for the purpose of computing benefits for services rendered between July 1, 1955, and September 11, 1957, for members receiving credit for service between those dates under the provisions of this section, the "final compensation" of such person shall be computed in the same manner as for other employees who are included in the same retirement system and in the same class of retirement system members and who are not affected by this section. The amendment to this section enacted at the 1963 session shall be applied to increase the allowances, payable subsequent to October 1, 1963, in respect to those members who retired on or after July 1, 1955.

Notwithstanding any other provisions of this section no increased allowance shall be paid, as authorized by this section, to any person who has retired between July 1, 1955, and October 1, 1963, unless the person to whom the increase would otherwise be payable mails written application for the increase to the appropriate retirement system prior to April 1, 1964.

SEC. 44. Section 8368 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

8368. Any person who is employed in a child development program on October 1, 1965, and who was brought into membership in a retirement system on October 1, 1963, notwithstanding his prior election pursuant to Section 8367 or the predecessor of such Section 8367 as it read prior to October 1, 1963, not to be a member of such system, shall have the same rights under such system with respect to his service in child development programs as he would have had under Section 8367 or the predecessor of such section had he elected thereunder to be a member of such system.

SEC. 45. Section 8369 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

8369. Every employee of a child development program who before his employment in such program was employed by the agency maintaining such program in a position entitling him to membership in, and who was a member of, the retirement system maintained by such district, and if such employee's contributions to such retirement system were returned to him when he was employed in the program, such employee shall have the right to elect, by written document filed with the Board of Administration, Public Employees' Retirement System, at any time within 90 days after the date upon which the notice of the right to make such election is mailed by such system, either to the member's latest address on file in the office of such system, or to the office of the governing board of such agency or agencies, and prior to the date of retirement, to contribute to such system, subject to minimum payments fixed by the Board of Administration, and in one or more sums, or in not to exceed 60 monthly payments, an amount which, when added to his accumulated contributions, including interest, transferred as required in paragraph (1) of subdivision (b) of Section 24810, will make a total amount equal to the accumulated contributions, including interest, which would have been credited to him in such plan, if he had never had his contributions returned to him. Such employee shall pay to the Public Employees' Retirement System interest on the unpaid balance of the amount payable to such system, beginning with the date of transfer, at the rate of interest currently used from time to time under the system. If such employee elects to make, and makes, such contributions and pays such interest, but not otherwise, he shall receive credit under such employees' system, as state service, for all prior service rendered while he was not a member of such plan.

SEC. 46. Section 8383 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

8383. Children regularly enrolled in a child development program who are absent on account of illness or quarantine shall be considered to be in regular attendance for the number of hours per day for which they are enrolled for the purpose of reporting attendance for state apportionments, whenever the child development agency certifies that such absence was on account of illness or quarantine and is verified by the district in such manner as the Superintendent of Public Instruction shall require. All attendance shall be recorded and reported in accordance with the requirements of the Superintendent of Public Instruction.

SEC. 47. Section 8395 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

8395. To the extent funds are available, federal reimbursement shall be claimed for any child receiving services in the infant care and development program.

SEC. 48. Section 8500 of the Education Code as enacted by Chapter

1010 of the Statutes of 1976 is amended to read:

8500. The Legislature finds and declares that adult continuing education is essential to the needs of society in an era of rapid technological, economic, and social change and that all adults in California are entitled to quality publicly supported continuing education opportunity, including the following:

(a) The opportunity to acquire the knowledge and skills necessary to participate effectively in today's economy and society.

(b) Access to courses at the postsecondary level that are foundations upon which successive academic or occupational knowledge are dependent.

(c) Participation in other courses designed to meet the particular needs of the local community.

SEC. 49. Section 10101 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

10101. The Commission for Teacher Preparation and Licensing shall develop, on or before January 15th of each year, a status report on local, state, and federally funded bilingual-crosscultural teacher preparation programs. Such report shall be made to the Legislature not later than February 15th of each year. The Board of Governors of the California Community Colleges, the Trustees of the California State University and Colleges, and the Regents of the University of California shall, by November 15 of each year, report to the Commission for Teacher Preparation and Licensing with reference to their programs in bilingual-crosscultural teacher training. Such report shall include, but not be limited to, information on special classes or programs leading to a certificate of competence for bilingual-crosscultural instruction, preservice or in-service programs offered by these institutions to bilingual-crosscultural teachers or teacher aids, the number of persons enrolled in such programs, and any other relevant data requested by the Commission for Teacher Preparation and Licensing.

SEC. 50. Section 10103 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

10103. The Commission for Teacher Preparation and Licensing shall, with the assistance of a representative appointed by the Superintendent of Public Instruction, the Chancellor of the California Community Colleges, the Chancellor of the California State University and Colleges, the President of the University of California, and with five presently practicing teachers appointed by the Superintendent of Public Instruction, design a comprehensive language and culture curriculum for teachers who are already certificated. Such curriculum shall be designed to enable teachers to qualify for the bilingual-crosscultural certificate of competence authorized pursuant to Section 44253.5. Initial programs to assist on the development of this shall be offered at not less than five public institutions of higher education in California, beginning not later than September 1, 1977.

SEC. 51. Section 10104 of the Education Code as enacted by

Chapter 1010 of the Statutes of 1976 is amended to read:

10104. There is hereby established a Bilingual Teacher Development Grant Program. The Student Aid Commission shall administer the Bilingual Teacher Development Grant Program. The Student Aid Commission shall evaluate candidates for grants in consultation with the Commission for Teacher Preparation and Licensing. The Student Aid Commission shall promulgate all regulations necessary for the administration of the Bilingual Teacher Development Grant Program after consultation with the Commission for Teacher Preparation and Licensing. Not less than 75 percent of the funds available for grants shall be made on the basis of need to upper division and graduate students pursuing a course of study leading to a certificate of competence for bilingual-crosscultural instruction established pursuant to Section 44253.5. Remaining funds shall be available to certificated teachers who are enrolled in the curriculum prescribed in Section 10103. Grants may be used to cover tuition, fees, and subsistence expenses and shall supplement and not supplant other state and federal student financial aid programs. Grants may be renewed, provided that no student may receive grants for a period of more than three academic years.

SEC. 52. Section 10106 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

10106. The Commission for Teacher Preparation and Licensing shall serve as a clearinghouse for bilingual-crosscultural teaching personnel. The commission shall compile, continually update, and maintain a directory of bilingual-crosscultural teachers available to teach in bilingual education programs. The directory shall be sent to all school districts annually. The commission shall, upon request, assist school districts in the recruitment of such teachers.

SEC. 53. Section 10601 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

10601. There has been developed by the Department of Education the California Education Information System, hereinafter in this article called "the system." The function of the system is to establish, conduct, and by continuous concern keep up to date a basic, integrated, statewide information system for education.

SEC. 54. Section 10602 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

10602. In maintaining the system, the department shall:

(a) Consult and cooperate with school districts, county superintendents, advisory committees on integrated data processing, task forces for implementing the utilization of a statewide information system, intergovernmental boards on electronic data processing and state electronic data processing policy committees created by statute or by executive order of the Governor.

(b) Cooperate with the Educational Management and Evaluation Commission in all matters relating to program budgeting.

SEC. 55. Section 10603 of the Education Code as enacted by

Chapter 1010 of the Statutes of 1976 is amended to read:

10603. The department may consult and cooperate with public and private agencies and with educators and information specialists at the district, county, regional, state, and national levels.

The department may enter into nonexclusive licenses with public and private agencies within or outside of the state to permit the use of the copyrighted system and may contract with such agencies to perform any of the functions set forth in this article.

SEC. 56. Section 10604 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

10604. School districts maintaining kindergarten or any grade of grades 1 through 12, county superintendents of schools, and the department shall:

(a) Cooperate and consult in the joint conduct of the system.

(b) Coordinate information-processing activities to preclude duplication of the developmental and operational aspects of the system.

(c) Conduct educational information-processing activities in accordance with regulations of the State Board of Education adopted pursuant to this chapter.

SEC. 57. Section 10606 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

10606. The department shall, among other things:

(a) Develop for statewide educational use standards for:

(1) Coding structures.

(2) Common data base.

(3) File layout and design.

(4) Flow charts.

(5) Identification of data items.

(6) Input documentation and formats.

(7) Output report formats, including those required by local, county, state, and federal agencies.

(8) Procedural manuals.

(9) Terminology.

(10) Other relevant material.

(b) Make available, without charge, to school districts, county superintendents, and other public agencies the system components, described in subdivision (a), as they are completed.

(c) Identify centers to develop or demonstrate the appropriate use of the system and the system's procedures, those districts, county superintendents, and other public agencies that are successfully using the various components of the system.

(d) Establish safeguards to assure only appropriate access to confidential information.

(e) Disseminate information about the system, and its use and availability.

(f) Adopt regulations to implement this chapter.

SEC. 58. Section 12516 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

12516. (a) This chapter shall remain operative until December 31, 1979, and after such date shall have no force or effect.

(b) The Legislature shall, at its 1973–74 Regular Session, and each fourth year thereafter, review the matter of California's participation in the Compact for Education to determine whether California should continue to be a party to the compact and thus whether the operation of this article should be extended.

SEC. 59. Section 14002 of the Education Code as added by Chapter 1011 of the Statutes of 1976 is amended to read:

14002. (a) The State Controller shall during each fiscal year transfer from the General Fund of the state to that portion of the State School Fund restricted for elementary and high school purposes, hereinafter called Section A of the State School Fund such sums, in addition to the sums accruing from other sources, as shall provide in Section A of the State School Fund for apportionment during the fiscal year a total amount per pupil in average daily attendance during the preceding fiscal year credited to all elementary, high, and unified school districts and to all county superintendents of schools in the state, as certified by the Superintendent of Public Instruction, of one hundred eighty dollars ($180).

(b) The Controller shall also transfer, as needed during each fiscal year, such additional amounts from the General Fund to Section A of the State School Fund as are certified from time to time by the Superintendent of Public Instruction to be necessary to meet actual computed apportionments from Section A of the State School Fund for the purposes set forth in Section 41301; provided that the total of such additional amounts transferred in a fiscal year shall not exceed, except pursuant to subdivision (c) of this section, two hundred fourteen dollars and sixty-four cents ($214.64) for the fiscal year 1976–77 and fiscal years thereafater, per pupil in average daily attendance during the preceding fiscal year credited to all elementary, high, and unified school districts and to all county superintendents of schools in the state, as certified by the Superintendent of Public Instruction, less the amount, if any, by which seventy-nine cents ($0.79) multiplied by the number of units of average daily attendance credited during the preceding fiscal year to all elementary, high, and unified school districts and to all county superintendents of schools in the state exceeds twenty-one dollars and fifty cents ($21.50) multiplied by the total average daily attendance credited during the preceding school year to elementary school districts which during the preceding school year has less than 901 units of average daily attendance, to high school districts which during the preceding school year had less than 301 units of average daily attendance, and to unified districts which during the preceding school year had less than 1,501 units of average daily attendance.

(c) In addition to the amounts authorized to be transferred to Section A of the State School Fund under subdivisions (a) and (b) of this section, the Controller shall transfer from the General Fund

to Section A of the State School Fund during the fiscal year, upon certification of the Superintendent of Public Instruction, if necessary to meet actual computed apportionments for the fiscal year for the purposes set forth in Sections 41300 and 41301, an amount not to exceed the lesser of: (1) 1 percent of the total apportionment from Section A of the State School Fund in the preceding fiscal year for the purposes set forth in Sections 41300 and 41301, or (2) the net amount, if any, by which the total amounts authorized to be transferred from the General Fund to Section A of the State School Fund under subdivisions (a) and (b) of this section in prior fiscal years have exceeded the total amounts actually apportioned in prior fiscal years for the purposes set forth in Sections 41300 and 41301.

(d) He shall also transfer to Section A of the State School Fund any additional amounts appropriated thereto by the Legislature in augmentation of any of the amounts for any of the purposes set forth in Sections 41300 and 41301 and such additional amounts shall be allowed and apportioned by the Superintendent of Public Instruction and warrants therefor drawn by the Controller in the manner provided in Article 1 (commencing with Section 14000) and Article 2 (commencing with Section 14040) of Chapter 1 of Part 9 of this division, and Article 3 (commencing with Section 41330) of Chapter 3 of Part 24 of Division 3 of Title 2, and in Sections 46304, 84503, and 41050, and Article 1 (commencing with Section 41600) of Chapter 4 of Part 24 of Division 3 of Title 2.

(e) Commencing with the 1974–75 fiscal year, the unit amounts under subdivisions (a) and (b) of this section shall be considered to be cumulatively increased or decreased, as the case may be, by an amount equal to the percentage increase or decrease of the statewide ratio of assessed valuation per unit of kindergarten through grade 12 statewide average daily attendance, excluding defined adults, using in such ratios the data for the preceding year compared with the second preceding year.

For the 1974–75 fiscal year, each elementary and high school foundation program shall be increased by sixty dollars ($60) except that if the percentage increase of the statewide ratio of assessed valuation per unit of average daily attendance in kindergarten and grades 1 to 12, inclusive, determined in subdivision (e) is less than seven, the sixty dollars ($60) shall be reduced proportionately, but to no less than fifty dollars ($50).

The Superintendent of Public Instruction shall prepare a report for the Legislature, to be submitted by December 1, 1976, which shall show the most current trends in costs for school districts, equalization of school district expenditures per average daily attendance, equalizations of property taxation for schools, adequacy levels in expenditures per average daily attendance, school enrollment, assessed valuations, assessed valuation per average daily attendance, and general cost changes in the state for the purpose of giving the Legislature information that the Legislature may use to enact new provisions about increases or decreases in the foundation programs

for public school support.

(f) The amounts transferred pursuant to this section shall include the amounts required to be transferred by Section 16130 of the Government Code, exclusive of the amounts required to be transferred pursuant to Section 16130 of the Government Code for the educational need factor and the Early Childhood Educational Program (Chapter 1147, Statutes of 1972).

SEC. 60. Section 14003 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

14003. The State Controller shall during each fiscal year, commencing with the 1974–75 fiscal year, transfer from the General Fund to Section A of the State School Fund such amount, in addition to all other amounts appropriated and transferred to Section A of the State School Fund, as shall provide in Section A of the State School Fund for apportionment during the fiscal year a total amount per pupil in average daily attendance during the preceding fiscal year credited to all elementary, high, and unified school districts and to all county superintendents of schools in the state as certified by the Superintendent of Public Instruction, of twenty-five dollars and forty-five cents ($25.45) in the 1976–77 fiscal year and an additional six dollars and thirty-seven cents ($6.37) in each fiscal year thereafter to a maximum of thirty-eight dollars and nineteen cents ($38.19).

The amounts transferred pursuant to this section shall be apportioned and disbursed by the Superintendent of Public Instruction as an increase per unit of average daily attendance in the foundation program prescribed in Section 41716 and as prescribed in Section 41716.5.

SEC. 61. Section 14020 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

14020. (a) The State Controller shall during each fiscal year transfer from the General Fund of the state to that portion of the State School Fund restricted for community college purposes, hereinafter called Section B of the State School Fund, such sums, in addition to the sums accruing from other sources, as shall provide in Section B of the State School Fund for apportionment during the fiscal year a total amount per pupil in average daily attendance during the preceding fiscal year credited to all community colleges and adult schools maintained in conjunction with community colleges in the state, as certified by the Chancellor of the California Community Colleges, of one hundred eighty dollars ($180).

(b) The Controller shall also transfer, as needed during each fiscal year, such additional amounts from the General Fund to Section B of the State School Fund as are certified from time to time by the Chancellor of the California Community Colleges to be necessary to meet actual computed apportionments from the State School Fund for the purposes set forth in Section 84300; provided that the total of such additional amounts transferred in a fiscal year shall not exceed, except pursuant to subdivision (c) of this section, four hundred thirty-four dollars and four cents ($434.04) for the 1976–77 fiscal year

and fiscal years thereafter, per pupil in average daily attendance during the preceding fiscal year credited to all community colleges in the state, as certified by the Chancellor of the California Community Colleges.

(c) In addition to the amounts authorized to be transferred to Section B of the State School Fund from the General Fund under subdivisions (a) and (b) of this section, the Controller shall transfer from the General Fund to Section B of the State School Fund during each fiscal year, commencing with 1977–78, upon certification of the Chancellor of the California Community Colleges, an amount sufficient to increase state apportionments as required pursuant to Sections 84764 and 84765.

(d) In addition to the amounts authorized to be transferred to Section B of the State School Fund from the General Fund under subdivisions (a) and (b) of this section, the Controller shall transfer from the General Fund to Section B of the State School Fund during the fiscal year, upon certification of the Chancellor of the California Community Colleges, if necessary to meet actual computed apportionments for the fiscal year for the purposes set forth in Section 84300, an amount not to exceed 1 percent of the total apportionment from Section B of the State School Fund in the preceding fiscal year for the purposes set forth in Section 84300.

(e) He shall also transfer to Section B of the State School Fund any additional amounts appropriated thereto by the Legislature in augmentation of any of the amounts prescribed for any of the purposes set forth in Section 84300 and such additional amounts shall be allowed and apportioned by the Chancellor of the California Community Colleges and warrants therefor drawn by the Controller in the manner provided in Article 1 (commencing with Section 14000) and Article 2 (commencing with Section 14040) of Chapter 1 of Part 9 of this division, and Article 3 (commencing with Section 41330) of Chapter 3 of Part 24 of Division 3 of Title 2, and in Sections 41050, 46304, and 84503, and Article 1 (commencing with Section 41600) of Chapter 4 of Part 24 of Division 3 of Title 2.

SEC. 62. Section 15104 of the Education Code as added by Chapter 1011 of the Statutes of 1976 is amended to read:

15104. The bond issuance limitation in Section 15102 may, upon a favorable vote of two-thirds of the votes cast thereon in the district, be increased to not to exceed 7 percent of the taxable property of the district as shown by the last equalized assessment of the county or counties in which the district is located, and as modified pursuant to Section 41201 or 84201.

All statutory references to the limitation in Section 15102 shall be deemed to refer to the limitations in Section 15102 or this section, whichever may be applicable.

This section shall remain in effect until July 1, 1978, and shall thereafter be of no force or effect, provided that the termination of the effective period of this section shall in no way be construed as affecting the validity of bonds authorized pursuant to authority

afforded thereunder prior to July 1, 1978.

SEC. 63. Section 16035 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

16035. The board may approve, in whole or in part, an application submitted by a school district under Section 16024 and in such amount, not exceeding the amount applied for, as the board may deem appropriate.

The board may, upon approval of the application, in whole or in part, and subsequently from time to time, make a conditional apportionment or conditional apportionments not exceeding in the aggregate the total amount determined by the board as aforesaid, to the applicant school district from the State School Building Aid Fund for such portion or portions of the construction project as the board determines the district is ready to proceed with. If the board has approved an application and made an apportionment as to a portion or portions of a construction project, the board may approve the remaining portion or portions of the construction project and make an additional apportionment or apportionments within two years after the original approval without requiring a district to issue additional bonds. The board may also make an additional apportionment or apportionments for a period of time in excess of two years after the original approval without requiring a district to issue additional bonds if it has made a finding that such additional apportionment or apportionments are justified by virtue of the fact that state funds were not available for apportionment within the two-year period after the original approval because of the inability of the state to sell authorized state bonds within the maximum permitted interest rate.

If the board determines that the actual cost is in excess of the estimated cost of the specific school plant facilities or sites for which an apportionment to a district has been made, or for which a district's application has been approved in whole or in part pursuant to this section, the board may make an additional apportionment to such district in an amount equal to such excess even though such additional apportionment will result in the total apportionments to the district exceeding the amount of the application originally approved by the board. Before such additional apportionment becomes final the district, pursuant to Section 16058, shall hold an election to repay the amount of such additional apportionment which is in excess of the amount which the district has previously voted to repay. Such additional apportionment shall become final when the county superintendent of schools transmits to the board and the State Controller a certificate in duplicate stating that the school district has authorized the acceptance and expenditure of the necessary amount of such excess. If such additional apportionments are made by the board within two years after the original approval, except an apportionment made final pursuant to subdivision (c) of Section 16058, the district shall not be required to issue additional bonds.

Except as otherwise provided in this section, all provisions of this chapter relating to apportionments shall apply to apportionments made under this section.

Whenever an apportionment has heretofore been made or is hereafter made to a district for a site and the district heretofore or hereafter proposes to acquire the site through negotiation or condemnation but the total acquisition cost thereof, plus all other costs incidental to either the acquisition or condemnation of the site, exceeds or exceeded the apportionment for the site, the board may at any time hereafter make an additional apportionment to provide for the differential in total acquisition cost without the district being required to issue additional bonds to qualify, providing the board finds (1) that it is in the interest of the state to proceed with the acquisition despite the acquisition costs, and (2) that the district is unable to provide, or it would be a hardship to require it to provide, the excess costs. The board may also, in its discretion, as a condition of making such apportionment, require the district to repay in full all or any part of the excess apportionment, under such terms and conditions as the board deems desirable, and the district shall be empowered and obligated to comply if it accepts the excess apportionment, notwithstanding any other law to the contrary; provided, (1) that no such repayment shall be required from any source that would be exempt from required contribution toward the cost of a project under Sections 16024 and 16031 (excepting amounts in the General Fund raised by taxes to pay any judgment requiring such repayment), and (2) that any portion of the apportionment not required to be repaid in full, shall be repayable in the same manner as a construction apportionment.

Approval of an application under this section shall not be construed as creating or implying any obligation, commitment or promise on the part of the board or the state to make apportionments under this chapter.

SEC. 64. Section 16040 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

16040. In any month in which the priority point procedures prescribed by Section 16007 are utilized, the board may apportion to school districts, under Section 16039, not more than the sum of four hundred thousand dollars ($400,000); provided that any amount apportioned or made final pursuant to subdivision (c) of Section 16058 shall not be subject to such limitation.

SEC. 65. Section 16044 of the Education Code as amended by Chapter 1011 of the Statutes of 1976 is amended to read:

16044. No apportionment shall be made for new construction which, when added to the area of adequate school construction existing in the applicant school district at the time of application, will provide a total area of school building construction per unit of average daily attendance of the estimated average daily attendance in excess of that computed in accordance with Sections 16047, 16052, 16053, 16054 and 16055.

As used in Sections 16047, 16052, 16053, 16054 and 16055, "maximum area" means maximum area of school building construction and "attendance unit" means unit of estimated average daily attendance.

As used in this section and Sections 16053, 16054, and 16055, "attendance center" means a school maintained or to be maintained at a given location within a district. The Department of Education or board of governors as is appropriate to their jurisdiction shall approve or disapprove the allocation by an applicant district of units of estimated average daily attendance among the attendance centers of the district.

To the building area permitted to an applicant school district by Sections 16047, 16052, 16053, 16054 and 16055, there may be added such additional building area as may be required to provide adequate facilities for exceptional children pursuant to Article 3 (commencing with Section 16190) of this chapter.

No estimate of average daily attendance made by an applicant for the purpose of justifying an apportionment shall be made for a longer time than the third fiscal year beyond the fiscal year in which an application is made, except that an estimate for the purpose of justifying an apportionment for a grade level maintained by a unified district, under an application filed prior to September 15, 1961, or by a high school district composed of grades 7 to 12, inclusive, 9 to 12, inclusive, or 7 to 10, inclusive, or of justifying an apportionment for a unified district for a junior high school or high school project under an application made on or after such effective date shall not be made for a longer time than the fourth fiscal year beyond the fiscal year in which the application is made. Except as otherwise provided by the board, the estimates of average daily attendance shall be based upon the number of family dwellings and mobilehome parks, as defined in Section 18214 of the Health and Safety Code, under construction or newly constructed and never occupied in the district and the number of children residing in the district. In no case shall an estimate be given effect unless approved by the board.

For the purposes of this chapter pupils attending grades 7 and 8 in an elementary district but residing in a high school district which maintains one or more junior high schools shall not be considered in determining or estimating the average daily attendance of the elementary district, unless the elementary district is maintaining and has continuously maintained grades 7 and 8 since a date prior to January 1, 1959, or unless the electorate of the district, during the year 1974, has authorized the return of the seventh and eighth grade pupils from the high school district and the maintaining of grades 7 and 8 in the elementary district. When pupils attending grades 7 and 8 are so considered in determining or estimating the average daily attendance of the elementary district, such pupils shall not be considered in determining or estimating average daily attendance of the high school district in making an apportionment to the high school district for junior high school purposes.

The board shall develop statewide or areawide averages of pupil occupancy for family dwellings of various sizes and for mobilehomes of various sizes for use by applicant school districts in estimating the average daily attendance of family dwellings and mobilehome parks under construction or newly constructed and never occupied in the district.

SEC. 66. Section 16057 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

16057. Payment shall be made in accordance with the terms of a final apportionment, either directly or by way of reimbursement, to a school district for expenditures, or commitments therefor, which have been made by the district for any items approved by the board in such apportionment, provided, the construction contract has been let no earlier than two years preceding the date the application is received by the board. Where expenditures were made for, or work was commenced with respect to, any item so approved, prior to the time the application of such district containing such item was received by the board, payment or reimbursement for such item, either with state funds or with district funds which the district is required to contribute by said apportionment, shall be made only upon authorization of the board by special resolution citing this section.

SEC. 67. Section 16058 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

16058. No apportionment to a school district shall become final unless: (a) the total amount of outstanding bonds of the district exceeds ninety-five percent (95%) of the basic bond requirement of the district on the date the conditional apportionment is made, or (b) the total amount of the bonds of the district outstanding and unpaid is within twenty-five thousand dollars ($25,000) of the basic bond requirement of the district, as of the date on which the conditional apportionment is made, or (c) the district has issued and sold pursuant to this section, and as a condition to the initial conditional apportionment, an amount of bonds equal to the total cost of the project for which the apportionment was made, including necessary contingencies. At the time the board makes a conditional apportionment pursuant to Section 16024, it shall determine the total amount of bonds which shall be issued and sold by such district, the proceeds of which shall be applied toward the cost of the project for which the apportionment is sought; provided, that in the event the school district has previously received apportionments, or has become liable for the repayment of an apportionment, such proceeds shall first be applied toward the reduction, in chronological order beginning with the earliest, of any apportionments previously made to the district, or for the repayment of which the district has become liable in whole or in part, before being applied toward the cost of the project for which an apportionment is sought, provided further that no such proceeds shall be applied toward the reduction of any apportionment for a site made pursuant to Section 16039 prior to the

combination of such site apportionment with a construction apportionment pursuant to subsection (d) of Section 16039. The amount so determined by the board shall be not less than the minimum amount required for such apportionment to become final under this section. Any apportionment made by the board pursuant to Section 16024 shall be conditioned upon the approval and sale of such bonds by the district. The amount of any apportionment for a construction project made as a consequence of applying district bond proceeds toward the reduction of prior apportionments pursuant to this section instead of applying the district bond proceeds toward the cost of such construction project, shall be excluded in determining the amount chargeable against the apportionments authorized by the electorate of the district to be accepted, expended and repaid. It is hereby declared that this provision, added by the amendment to this section enacted at the 1958 First Extraordinary Session of the Legislature, is not intended as a change in the law, but rather as a declaration of existing law.

Any provision of this code to the contrary notwithstanding, whenever the electors of a district, subsequent to any requirement by the board for the sale of bonds in connection with an apportionment, authorize the issuance of bonds for any purpose for which an apportionment could lawfully be made, such authorization shall, in addition to the purposes specified, be deemed to constitute the consent of the electors to apply the proceeds of the bonds so required to be sold by the board toward the reduction of any apportionment previously made to such district. Any bond funds used to reduce any apportionment pursuant to this section shall be transferred to the State School Building Aid Fund and shall be available for reapportionment by the board. The amount so determined by the board shall be not less than the minimum amount required for such apportionment to become final under this section. Any apportionment made by the board pursuant to Section 16024 shall be conditioned upon the approval and sale of such bonds by the district.

No apportionment to a school district under this chapter shall become final, nor any agreement authorized by Section 16042 be entered into unless at an election called by the governing board of the district, two-thirds of the qualified electors of the district voting thereat have authorized the governing board to accept, expend and repay as provided in this chapter and apportionment under the provisions thereof or, with respect to said agreement, to obligate the district in an amount equal to or in excess of the maximum amount which the district could be obligated by said agreement, or by any act of its governing board or for which it is responsible, contemplated or permitted thereby. Said election shall be called, held and conducted in the same manner as are elections to authorize the issuance of school district bonds, except that the ballot shall contain substantially the following words:

"Shall the governing board of the district be authorized (1) to

accept and expend an apportionment from the State of California under and subject to the provisions of Chapter 8 (commencing with Section 16000) of Part 10 of Division 1 of Title 1 of the Education Code, which amount is subject to repayment as provided by said chapter, or (2) to enter into an agreement or agreements with the state pursuant to Section 16042 of the Education Code, which will at the time of such agreement or agreements (or at the time of any subsequent act of the governing board, or for which it is responsible, contemplated or permitted thereby) commit the district to a total expenditure in connection with all such agreements of not more than _____ dollars ($_____), or both. Yes _____ No _____."

SEC. 68. Section 16063 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

16063. Whenever a conditional apportionment has, prior to January 1, 1977, been made to an applicant school district pursuant to this chapter and thereafter the county superintendent of schools of the county having jurisdiction over such district has certified to the board and the State Controller that at an election called, held and conducted in the district for that purpose, two-thirds of the qualified electors of the district voting thereat authorized the governing board of the applicant school district to accept, expend and repay an apportionment under the provisions of this chapter, and whenever thereafter said county superintendent of schools has certified to the board and the State Controller that the amount of bonds, if any, required by the board, as a condition to the apportionment becoming final, have been issued and sold and the proceeds thereof made available for the purposes of the application and the board has certified to the State Controller that the apportionment to the applicant school district has become final, such final apportionment is hereby confirmed, ratified, and validated, and any expenditure of money from the State School Building Aid Fund according to the terms of such final apportionment is hereby confirmed, ratified, and validated.

Notwithstanding any provision to the contrary, no funds authorized by any bond act for the purpose of this chapter shall be made available for expenditure without specific authority of the board or its delegated representative.

SEC. 69. Section 16192 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

16192. Allocations under this article for assistance to school districts in providing necessary housing and equipment for the education of pupils enrolled or to be enrolled in development centers for the handicapped may be made only to those school districts which are authorized to operate development centers pursuant to the provisions of Article 1 (commencing with Section 56800) of Chapter 6 of Part 30 of Division 4 of Title 2.

SEC. 70. Section 16250 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

16250. Not to exceed two million five hundred eighty-seven

thousand seven hundred sixty-six dollars and fifty-one cents ($2,587,766.51) of the amount of the proceeds of bonds issued under the State School Building Aid Bond Law of 1974 and two million four hundred twelve thousand two hundred thirty-three dollars and forty-nine cents ($2,412,233.49) of the amount of the proceeds of bonds issued under the State School Building Aid Law of 1966 may be expended pursuant to this article. The funds shall be allocated by the State Allocation Board to a joint powers board of education for the construction of a permanent campus for a newly created regional occupation center school to be located in the south bay area of Los Angeles County, having a population in excess of 1,070,000, and a potential average daily attendance in excess of 10,000 persons. Not to exceed four hundred thousand dollars ($400,000) of such sum shall be allocated and expended for architectural and engineering services in connection with the construction.

Sections 16000 to 16006, inclusive, Sections 16009, 16018 and 16021, inclusive, shall be applicable to the administration of this article, unless the context of this article, as determined by the board requires otherwise.

SEC. 71. Section 16310 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

16310. Not to exceed forty million dollars ($40,000,000) of the proceeds of the sale of bonds authorized by the State School Building Aid Bond Law of 1966 may be expended pursuant to this article.

SEC. 72. Section 16343 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

16343. Whenever a conditional apportionment has, prior to January 1, 1977, been made to an applicant school district pursuant to this chapter and thereafter the county superintendent of schools of the county having jurisdiction over such district has certified to the board and the State Controller that at an election called, held and conducted in the district for that purpose, the qualified electors of the district voting thereat authorized the governing board of the applicant school district, by the same majority vote required at a district bond election, to accept, expend and repay an apportionment under the provisions of this chapter, and whenever thereafter said county superintendent of schools has certified to the board and the State Controller that the required contribution of the district has been placed on deposit in the state school building fund of the district and the board has certified to the State Controller that the apportionment to the applicant school district has become final, such final apportionment is hereby confirmed, ratified, and validated, and any expenditure of money from the State School Building Aid Fund or the School Building Safety Fund according to the terms of such final apportionment is hereby confirmed, ratified, and validated.

Notwithstanding any provision to the contrary, no funds authorized by any bond act for the purpose of this chapter shall be made available for expenditure without specific authority of the

board or its delegated representative.

SEC. 73. Section 18383 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

18383. The board shall hold an annual organizational meeting. In a year in which a regular election for board members is conducted, the meeting shall be held on a day within a 15-day period that commences with the date upon which a board member elected at that election takes office. Organizational meetings in years in which no such regular election for board members is conducted shall be held during the same 15-day period on the calendar. At each of such meetings, the board shall elect one of its number president, and another one of its number secretary. They shall serve as such for one year or until their successors are elected and qualified.

SEC. 74. Section 18535 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

18535. The bonds shall be sold in the manner prescribed by the board of supervisors, but for not less than 95 percent of par.

SEC. 75. Section 19422 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

19422. The trustee shall hold office for the term of four years beginning on the first day of April next succeeding their appointment or election. In any existing district the term of office of the trustees expiring prior to the first election to be held in an odd-numbered year shall continue until his successor in office is duly elected in such election.

For purposes of implementing the changes in the dates of election and in the dates of the commencement and termination of the terms of office of the trustees effected by the Legislature at the 1975–76 Regular Session, trustees whose terms are expiring in January 1977, shall continue to serve in the offices involved until March 31, 1977. For such purposes, also, the term of office of any trustee otherwise expiring under the prior law after March 31, 1977, shall expire on March 31, 1977. All of the offices shall be filled by election conducted pursuant to Section 19510 in 1977. Thereafter, the newly elected trustees shall classify themselves, in the manner specified in Section 19423.

SEC. 76. Section 19423 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

19423. The first board of library trustees appointed or elected in a district shall at their first meeting so classify themselves by lot that their terms shall expire: one on the 31st day of March of the first odd-numbered calendar year next succeeding his appointment or election, and two on the 31st day of March of the second succeeding odd-numbered calendar year.

SEC. 77. Section 19424 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

19424. At its first meeting called after the original appointment of the board, and annually thereafter at its first meeting called after the first day of April in odd-numbered years, the board shall organize by

electing one of its number president, and another one of its number secretary. They shall serve as such for one year or until their successors are elected and qualified.

SEC. 77.5. The heading of Article 5 (commencing with Section 19510) of Chapter 8 of Part 11 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

Article 5. Biennial Election of Trustees

SEC. 78. Section 19510 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

19510. An election shall be held biennially in each library district for the election of one or more library trustees who shall hold office for four years beginning on the first day of April next succeeding his election. This election shall be held in the district on the same day as the school district election as specified in Section 5000 in the odd-numbered years. Trustees shall be nominated in the manner prescribed in Section 5012.

SEC. 79. Section 19511 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

19511. To be qualified to vote at any library district election a person shall be a resident of the library district, a qualified elector of the county, and shall be registered in the district in which the election is held at least 30 days before the election.

SEC. 80. Section 19512 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

19512. If on the 50th day prior to an election one person only has been nominated for each of the positions of trustee to be filled at that election, or no person has been nominated for any such position, and a petition signed by 5 percent of the registered voters requesting that the election be held has not been presented to the board, an election shall not be held.

SEC. 81. Section 19515 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

19515. Except as otherwise provided in this article, Chapter 3 (commencing with Section 5300) of Part 4 of this division shall govern and control the conduct of elections pursuant to this chapter.

SEC. 82. Section 19521 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

19521. The bond election shall be called and conducted and the results thereof canvassed, returned, and declared in the manner provided in Chapter 3 (commencing with Section 5300) of Part 4 of this division.

SEC. 83. Section 19522 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

19522. The board of trustees shall set forth in the resolution calling for a bond election the amount and denomination of the bonds, the rate of interest, and the number of years that all or any part of the bonds are to run.

SEC. 84. Section 21107 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

21107. A grantor who is a married person may further provide that his or her surviving spouse during his or her life, may, in relation to the property conveyed, and in relation to the election, maintenance, and management of the institution, perform all the duties and exercise all the powers which, by the terms of the grant, are enjoined upon and vested in the trustee and trustees.

SEC. 85. Section 21108 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

21108. In the cases referred to in Sections 21106 and 21107, the powers and duties conferred and imposed upon the trustee or trustees shall be exercised and performed by the grantor, or by his or her spouse, during his or her life, as the case may be. Upon the death of the grantor, or the surviving spouse, as the case may be, the powers and duties shall devolve upon and shall be exercised by the trustees named in the grant, and their successors.

SEC. 86. Section 21110 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

21110. The grantor may also reserve, during his or her life, the right of absolute dominion over the personal property conveyed, and also over the rents, issues, and profits of the real property conveyed, without liability to account therefor in any manner whatever, and without any liability over against his or her estate.

SEC. 87. Section 21111 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

21111. A grantor who is a married person may further provide that his or her spouse, during his or her life, may have the same absolute dominion, over the personal property, and the rents, issues, and profits, without liability to account therefor in any manner whatever, and without liability over against the estate of either the grantor or his or her spouse.

SEC. 88. Section 21112 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

21112. The founder or founders, surviving founder, or spouse or surviving spouse of any founder, of a university, college, school, seminary of learning, mechanical institute, museum, gallery of art, library or any other institution, or any or all thereof, founded pursuant to this article, may, by an instrument in writing, resign, relinquish, and surrender all the rights, powers, privileges and duties reserved to or vesting in him or her, over, in, or concerning any of the property granted or given to the institution, or over or concerning the institution founded. Thereupon all estates, rights, powers, privileges, trusts, and duties which would otherwise vest in or devolve upon the trustee or trustees of the trusts and estates created upon the death of the person resigning, relinquishing, and surrendering, by the terms of the grant and amendments thereof, and by the terms of any grants, gifts, bequests, and devices supplementary thereto, or of any confirmatory grants, shall

immediately vest in and devolve upon the trustee or trustees. Nothing herein contained shall prevent the person resigning, relinquishing and surrendering the rights, powers, privileges, or duties from thereafter becoming and serving as one of the trustees, or from becoming and serving as an officer of any board of trustees.

SEC. 89. Section 21180 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

21180. The trustee or trustees of any trust or trusts created for the founding, endowment, and maintenance of a university, college, school, seminary of learning, mechanical institute, museum, gallery of art, library, or any other institution, or any or all thereof, pursuant to Article 1 (commencing with Section 21100) and Article 2 (commencing with Section 21140) of this chapter, may commence a special proceeding to determine all questions of law and fact affecting the existence of, and the due and voluntary execution and delivery, and the terms, validity, and legal effect of the grant founding the institution, and of all amendments or attempted amendments to the grant, and of any supplemental grants or gifts, and of any confirmatory conveyances, of the founder or surviving founder, or spouse or surviving spouse of the founder.

SEC. 90. Section 21183 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

21183. The special proceeding may also be commenced to determine all questions of law and fact affecting the due and voluntary execution and delivery, and the validity and legal effect, of any grant or surrender by any founder, surviving founder, or spouse or surviving spouse of any founder, to, or in favor of, the trustee or trustees, of any rights, powers, privileges, or duties reserved to or vesting in any such person over or concerning any property described in the petition, or over or concerning the institution, which would otherwise vest in or devolve upon the trustee or trustees upon the death of the person granting or surrendering the right, powers, privileges, or duties, and of any relinquishment or release by the founder, surviving founder, or spouse or surviving spouse of any founder, of any other rights, powers, privileges, or duties reserved to or vesting in any such person.

SEC. 91. Section 21189 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

21189. The court or judge shall fix the time for hearing the petition, and shall order the clerk of the court to post in at least three public places in the county a notice of the filing of the petition, attached to a copy of the petition, and order a copy of the notice together with a copy of the petition to be personally served upon the founder, if living, and upon the surviving spouse or surviving spouse of any founder, and upon any living grantor or donor of any other grant or gift set out in the petition, and may order such other or further notice to be given as the judge or court may deem proper. The notice shall be posted and served at least 10 days before the hearing.

SEC. 92. Section 21192 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

21192. The notice shall state the time and place fixed for the hearing of the petition and shall be addressed to the founder or founders, if living, and to the spouse or surviving spouse of any deceased founder, and the living grantor or donor of any other grant or gift set out in the petition, and in general terms to all other persons having or claiming any interest in, or rights, powers, or duties over or concerning the property described in the petition; and shall direct that they and each of them appear and answer the petition on or before the time set for the hearing. The notice shall also state that unless they so appear and demur or answer, the petitioners will apply to the court to grant the prayer of the petition, and that each person failing to so appear and answer, shall be deemed to admit as true all the material allegations of the petition.

SEC. 93. Section 22112 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

22112. "Child" or "children" means:

(a) The unmarried offspring of a member under 18 years of age, not adopted by a person other than the spouse, and dependent upon the member on the effective date of disability allowance or death, or

(b) The unmarried child, under 18 years of age, adopted by the member, and dependent upon the member on the effective date of disability allowance or death, or

(c) The unmarried stepchild of the member, under 18 years of age, and dependent upon the member on the effective date of disability allowance or death, or

(d) The dependent unmarried child described in subdivision (a), (b) or (c) above who is under the age of 22 and who is registered as a full-time student, as defined in Section 22128 on the effective date of disability allowance or death.

A dependent unmarried child who is a full-time student in the month of attaining age 22, shall be deemed not to have attained such age until the first day of the month following the end of the school quarter or semester which was in progress in the month of attainment of age 22.

For those members receiving a disability allowance and who subsequently die, the maximum number of children for family benefits shall be those who were eligible on the effective date of disability allowance.

For purposes of Sections 23701, 23704 and 23705, "child" or "children" means any offspring or adopted children of the member, retirant or other beneficiary.

SEC. 94. Section 22114 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

22114. "Compensation" and "salary" mean remuneration in cash payable by the employer to the member, and includes any amount deducted from the member's salary for payment to one other than the member for the purpose of purchasing an annuity contract for

the member under an annuity plan which meets the requirements of Section 403(b) of the Internal Revenue Code of the United States, plus any amount deducted from a member's wages for participation in a deferred compensation plan established pursuant to Chapter 8 (commencing with Section 18310) of Part 1 of Division 5 of Title 2 of the Government Code or pursuant to Article 1.1 (commencing with Section 53212) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code.

"Compensation" and "salary" do not mean and shall not include:

(a) Job-related expenses.

(b) Money paid to the employee for overtime service.

(c) Compensatory damages and money paid to the member in excess of regular salary as a compromise settlement of a dispute arising from termination of a member's employment contract.

(d) Lump-sum payments for accumulated sick leave or accumulated vacation leave.

(e) Money paid for summer school employment.

(f) Money paid as a bonus.

(g) Tax-sheltered annuity contributions which do not result in a reduction of the earned contract salary paid to the employee.

(h) Fringe benefits paid for by the employer in lieu of salary.

(i) Money not available for payment of salaries and which is applied by an employer for the purchase of annuity contracts or for other insurance programs including those which meet the requirements of Section 403(b) of the Internal Revenue Code of the United States.

Any such moneys paid under subdivisions (a) through (i) shall not be included as a part of the member's compensation subject to contributions reported to this system.

SEC. 95. Section 22122 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

22122. "Disability" or "disabled" means any medically determinable physical or mental impairment which is permanent or which can be expected to last continuously for at least 12 months which prevents a member from performing his usual duties for his employer; or the duties of a comparable level for which he is qualified by education, training and experience. Any impairment from a willful self-inflicted injury shall not constitute a disability.

SEC. 96. Section 22127 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

22127. "Final compensation" means the highest average annual compensation earnable by a member during any period of three consecutive years during his membership in the system or time during which he was not a member but for which he has received credit under the system, except such time as was so credited pursuant to the provisions of Section 22718. The last three consecutive years of employment shall be used by the system in determining final compensation unless designated to the contrary in writing by the member.

For the purposes of this section, periods of service separated by breaks in service may be aggregated to constitute a period of three consecutive years, if the periods of service are consecutive except for such breaks.

Time during which a member is in state service or in the employment of a local school district or of a county superintendent and is also a member of another retirement system to which the state, a county, or the university contributes shall not be considered to be an absence for the purposes of this section, and the determination of the final compensation of such a member shall take into consideration his compensation earnable while he was a member of such other system, providing retirement under this system is concurrent with the member's retirement under the other system.

The board may specify a different final compensation with respect to benefits based on part-time service performed prior to July 1, 1956, for which credit was given under this system under board rules in effect prior to such date.

SEC. 97. Section 22142 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

22142. "Projected service" means the credited service plus the service which would have been earned to age 60 had the member continued to earn credited service at the same rate as the highest of any one of the three school years immediately preceding death or the effective date of disability.

SEC. 98. Section 22401 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

22401. Each member shall file a statement with the board, at the option of, and upon the form furnished by, the board, giving:

(a) His date of birth.

(b) All service previously performed by him in a position requiring membership in the system or its predecessors.

SEC. 99. Section 22716 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

22716. Time during which a member is excused from performance of his duties, such as but not limited to, sick leave, holidays, or vacation, whether or not he is required to perform any portion of such duties during such time, and for which he receives compensation, including disability from any insurance carrier of his employer, under the Labor Code on account of industrial injury or disease, in an amount less than the full compensation earnable by him while performing his duties when not so excused, shall be credited as service in the proportion that the compensation paid to the member bears to the full compensation which would be earnable by him while performing his duties on a full-time basis. For purposes of this chapter, any certificated employee on a sabbatical leave as provided under Section 44966 receives full-time service credit for time spent on such leave, after July 1, 1956, or any certificated employee who is absent to participate in any program under the Federal Mutual Educational and Cultural Exchange Program

(Chapter 33 (commencing with Section 2451), Title 22, U.S.C.) shall receive full-time service credit for time spent on such absence, after January 1, 1977, providing the member pays to the system additional contributions based or the compensation, which is the difference between compensation earned, if any, and the compensation earnable during the period of sabbatical leave or absence, in the amount of:

(a) Eight percent of such compensation as employer and state cost of granting service credit, and

(b) The member's regular contribution rate as applied to such compensation. Regular interest shall be due on all contributions required under this section from the end of the school year during which the sabbatical leave or absence was taken until date of payment of such contributions.

The employing school district may pay the amount required as employer and state costs in subdivision (a).

SEC. 100. Section 22802 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

22802. Any person to whom service performed outside of the state after January 1, 1914, is credited and any person who has claimed exemption from the provisions of the system or its predecessor or who is excluded from the system because of being a member of another retirement system while serving in a position requiring membership in this system or its predecessor, and who later becomes subject to its provsions may pay, in addition to the sum due under Section 14022 as it read on December 31, 1974, for each year of credited service performed prior to July 1, 1944, either outside the state or while exempt or while a member of any other system, regular interest on the amount which would have been contributed had he been a member of the system when the service was performed. Regular interest shall begin to accrue on the first day of July next following the end of the school year in which the service was performed.

SEC. 101. Section 22809 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

22809. Subject to rules prescribed by the board, any member may elect to make annuity deposit contributions for the purpose of providing additional retirement income.

Such contributions may be remitted directly to the system by the member.

A member may at any time cancel the election and later again elect to make contributions. Accumulated annuity deposit contributions may be withdrawn as provided in Section 23107.

SEC. 102. Section 23006 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

23006. If a county superintendent of schools or employing agency other than a school district or community college district submits monthly reports late or in unacceptable form, the board may assess penalties.

The board may assess penalties, based on one-half of the sum of the employer and employee contributions required by the report, for late or unacceptable submission of reports at a rate of interest approximating the average rate yielded on moneys invested by the board during the previous year, but not to exceed 5 percent per annum. The penalties so assessed are deemed interest earned in the year in which received.

SEC. 103. Section 23100 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

23100. Upon the termination of a member's employment by any cause other than death or retirement there shall be paid to him, or if no other benefits are payable under this part upon the death of a member, there shall be paid to the beneficiary nominated by the deceased member:

(a) The accumulated retirement contributions made after June 30, 1935.

(b) The accumulated annuity deposit contributions.

(c) The accumulated tax-sheltered annuity contributions unless the withdrawal is made within five years of initial deposit of tax-sheltered contributions, in which case the refunded amount shall be without interest.

SEC. 104. Section 23108 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

23108. Employing school districts and other employing agencies shall notify all members who terminate employment with less than five years' credited California service that the only benefit for which they are eligible at any time is the refund of accumulated contributions, the rate of interest which will be earned, and actions which may be taken by the board if such contributions are not withdrawn. Employing school districts and other employing agents shall transmit such information to the member as part of the usual separation documents.

SEC. 105. Section 23401 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

23401. District taxes may be levied and collected annually pursuant to this section by the respective districts at the same time and in the same manner as other district taxes are levied and collected. The tax shall be in addition to any other district tax now or hereafter authorized by law, and shall not be considered in fixing maximum rates of taxes for school district or community college district purposes.

Such tax is for the purpose of providing funds to make contributions to the Teachers' Retirement Fund required of school districts and community college districts under Section 23400 and to local retirement systems, and the rate shall be such as necessary to raise the amount of difference between the estimated amount of contribution needed and the estimated amount of foundation support provided by Sections 41716 and 41716.5 and 84725.

The tax rate provided by this section shall not exceed ten cents

($0.10) per each one hundred dollars ($100) of the assessed value of property in an elementary school district or five cents ($0.05) per each one hundred dollars ($100) of the assessed value of property within a high school district or community college district.

In a unified school district the tax rate provided by this section shall not exceed fifteen cents ($0.15) per each one hundred dollars ($100) of the assessed value of property within the district.

If at the end of any school year there remains an unencumbered balance derived from the revenue and the increase in tax rate provided by this section, such balance shall be used exclusively in the following school year for the expenditures of the district during the year required by Section 14100.

The tax rate provided by this section shall not exceed ten cents ($0.10) per each one hundred dollars ($100) of the assessed value of property in an elementary school district or five cents ($0.05) per each one hundred dollars ($100) of the assessed value of property within a high school district or community college district.

In a unified school district the tax rate provided by this section shall not exceed fifteen cents ($0.15) per each one hundred dollars ($100) of the assessed value of property within the district.

If at the end of any school year there remains an unencumbered balance derived from the revenue of the increase in tax rate provided by this section, such balance shall be used exclusively in the following school year for the expenditures of the school district or community college district during that year required by Section 23400.

SEC. 106. Section 23506 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

23506. All persons on the San Francisco system retired rolls on June 30, 1972, shall remain on the local rolls. The State Teachers' Retirement System will continue the subvention in Section 23526 for those persons, will apply the percentage update and annual improvement factor to payments being made by the State Teachers' Retirement System directly to the retirant, and will pay the two-thousand-dollar ($2,000) retired death benefit upon their death. The retired death benefit will be reduced by the retired lump-sum death benefit payable by the San Francisco system.

The allowance that would have been payable had the member retired solely under the State Teachers' Retirement System, including the percentage update calculated under Sections 14332, 14333, and 14334 of the Education Code, as enacted by Chapter 2 of the Statutes of 1959, as those sections read on December 31, 1974, shall be taken into account in computing the amount of increase for the ten-dollar ($10) a month per year of service minimum benefit.

SEC. 107. Section 23702 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

23702. A member or retirant may at any time designate a beneficiary to receive such benefits as may be payable under this part. Any change of beneficiary from the statutory or designated

beneficiary shall be in writing on a form prescribed by the system, executed by the member, witnessed by two witnesses, neither of whom may be beneficiaries or next of kin of the member, as listed in Section 23701. To be valid the instrument must be received in the office of the system before the member's death.

Such designation of beneficiary, other than a designation under options 2 and 3, may be revoked at the pleasure of the person making the nomination, and a different beneficiary designated in the same manner herein provided.

SEC. 108. Section 23703 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

23703. A member's marriage, divorce, annulment of marriage or the termination of membership by refund constitutes a revocation of his previous designation of a beneficiary except as provided herein.

Any designation of beneficiary in effect on October 1, 1967, which was filed prior to the occurrence of any of the conditions specified herein is void.

After any revocation or voidance of a beneficiary designation, a member may designate the same or another beneficiary or beneficiaries in accordance with Section 23702.

A designation of beneficiary filed with the system after an interlocutory decree in a dissolution of marriage action has been issued by the court shall continue to be valid after filing of the final decree of the dissolution of marriage.

SEC. 109. Section 23704 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

23704. If after designation of his child or children as a beneficiary, a married member, or retirant, has issue of his marriage and such child survives him, or is born after his death, such child shall receive an equal share with those children named as such beneficiaries unless he declares in a writing filed with the system that such child is intentionally excluded as a beneficiary. No other evidence to rebut the presumption of such revocation can be received.

SEC. 110. Section 23800 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

23800. (a) Except as otherwise provided in Section 23804, 24202, or 24203 payment pursuant to subdivision (b) of this section shall be made upon receipt of proof of a member's death which occurred:

(1) Before the effective date of his retirement and within four months after the termination of the member's employment in a position requiring membership in this system, or

(2) While the member was physically or mentally disabled for performance of his duty, if such disability had been continuous from such termination.

(b) There shall be paid to the beneficiary:

(1) The accumulated retirement contributions made after June 30, 1935.

(2) The accumulated annuity deposit contributions.

(3) The accumulated tax-sheltered annuity contributions unless

the withdrawal is made within five years of initial deposit of tax-sheltered contributions, in which case the refunded amount shall be without interest.

(4) The sum of two thousand dollars ($2,000), provided the member had at least one year of credited service.

SEC. 111. Section 23803 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

23803. Upon receipt of proof of the death of a retirant there shall be paid to the beneficiary the sum of two thousand dollars ($2,000) except for any reduction of the death benefit made under Section 23010.

From the death benefit provided in this section, there shall be deducted an amount equal to the lump-sum death benefit payable on account of death by a local system or by the Public Employees' Retirement System or the University of California Retirement System. The deduction shall be made whether such beneift is payable before or after retirement under such local or state system.

SEC. 112. Section 23804 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

23804. If on the date of death the member had met the following conditions:

(a) Death occurred after June 30, 1972, and

(b) Had one or more years of credited service, and

(c) If there had been a break in service of more than one year, one-half year of credited service had been performed after the end of last break, and

(d) The provisions of Sections 23800 and 23801 have been met, or

(e) Lacking the above, was a disabilitant receiving a disability allowance based upon projected salary which began to accrue after June 30, 1972; a family allowance shall be paid subject to the provisions of this chapter and Section 24203 as follows:

(1) To the surviving spouse, having financial responsibility for at least one dependent child who qualifies under Section 22112 there shall be paid an amount, in monthly installments, equal to 40 percent of the deceased's final compensation, plus 10 percent of such final compensation for each child, up to a maximum of 90 percent of such final compensation. If there are children who are not in the care of the surviving spouse, the amount of the allowance in excess of 40 percent of the final compensation shall be divided equally among all children and is payable to the trustee of the estate of such children under age 18 or their guardian if no trustee is designated or to the children age 18 and over, or

(2) If there is no surviving spouse or the surviving spouse subsequently dies or remarries and there are children who qualify under Section 22112, there shall be paid to the trustee of the estate of surviving children under 18 as designated by the member, or the guardian of such children under age 18 if no trustee is designated, or to the child if over age 18, an amount payable in monthly installments equal to 10 percent of the deceased's final compensation, up to a

maximum of 50 percent of such final compensation. If there are more than five such children, they shall share equally in the maximum of 50 percent, or

(3) If there is no allowance being paid under paragraphs (1) or (2) the unremarried spouse age 60 or over shall receive a monthly payment equal to the amount which would have been payable to such spouse based on projected service and projected salary, had the member continued service to age 60 and at that time elected option number 3. The allowance payable under this paragraph shall be increased by application of the benefit improvement factor for time which elapses between the date the member would have reached age 60 and the date the allowances commence to accrue under this paragraph. For the calculation of the benefit, it shall be considered that the member died on the June 30 following the actual date of death and the spouse reached age 60 on the June 30 prior to attainment of that age, but the allowance shall not begin to accrue until the spouse attains age 60.

(4) If there is no surviving spouse or children entitled to allowances under paragraphs (1), (2), or (3) at the time of the member's death, the dependent parent, age 60, or upon attainment of that age, shall receive an allowance based on projected service and projected earned salary equal to the amount which would have been paid if the member had retired at age 60 and elected option number 3. If there are two parents who qualify under this paragraph, the total benefit will be computed on the assumption that the youngest parent is the beneficiary, and the total shall be divided equally for so long as there are two such qualifying parents. Otherwise, the total amount shall be payable to the one who qualifies.

The benefits payable under paragraphs (1) and (2) because of the death of a disabilitant shall be based on projected salary.

Allowances payable under this section are in lieu of the death benefit payable under paragraph (1) of subdivision (b) of Section 23800 irrespective of the beneficiary designated to receive that benefit, except that if there are no children who qualify for an allowance under Section 22112, a spouse or the dependent parent or parents may elect, prior to the receipt of the first payment under paragraph (3) or (4), to receive the accumulated contributions in a lump sum subject to a reduction for any payments made from the account for any prior qualified persons.

SEC. 113. Section 23811 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

23811. There shall be deducted from the benefit payable in paragraphs (1) and (2) of Section 23804 any benefits payable to a beneficiary from other public systems, exclusive of benefits payable for reasons other than the same event which caused payment of the family benefit.

SEC. 114. Section 23900 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

23900. A retirement allowance shall become effective upon any

date designated by the member, provided:

(a) An application for retirement allowance is filed on a form provided by the system, which is executed no earlier than six months before the effective date of retirement,

(b) The designated effective date is later than the last day of service for which salary is payable to the member,

(c) The designated date does not fall on a weekend or holiday contiguous with the last day of service for which salary is paid to the member,

(d) The designated date is no earlier than the first day of the month in which the application is received by the system in Sacramento,

(e) The designated date is no earlier than the date upon and continuously after which the member is determined to the satisfaction of the board to have been mentally incompetent.

SEC. 115. Section 23903 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

23903. The board may authorize payment of a disability allowance to any member who is qualified upon application by the member, his guardian or conservator, or his employer, if such application is made:

(a) While the member is employed but not performing services in a position requiring membership in this system, or

(b) While he is physically or mentally incapacitated for performance of his duty and such incapacity has been continuous from the last day for which compensation was paid to him, or

(c) While he is on a leave of absence without compensation, granted for reason other than mental or physical incapacity for performance of his duty, and within four months after the last day of employment for which compensation was paid, or within 12 months while on an official district leave to study at an approved college or university, or

(d) Within four months after the termination of the member's employment in a position requiring membership in this system provided, first, that such application was not made under the provisions of subdivision (b) and, second, that such application was not made more than four months after the last day for which compensation was paid to him.

(e) A member with eligible children who becomes disabled prior to age 60 and whose sick leave will extend beyond age 60 may be awarded a disability allowance with an effective date after age 60 if application is filed prior to attaining age 60.

On receipt of an application for disability allowance the system may order a medical examination of a member to determine whether he is incapacitated for further service. If the applicant for disability allowance refuses to submit to the required medical examination, the application for disability allowance shall be canceled. The applicant shall either remain in this state, or return to this state at his own expense, to undergo the initial evaluations or examinations or his application shall be disallowed unless this

requirement is waived by the board.

SEC. 116. Section 23909 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

23909. The board may require any member receiving a disability allowance, who has not attained the age of 60, to undergo medical examination at such times as it deems necessary. If the examination, together with other available information, shows to the satisfaction of the board that the member is no longer disabled, his disability allowance shall cease. Should any such member refuse to submit to medical examination, as herein provided, payments to such member under the disability shall be discontinued and all rights of the member in the disability allowance shall be revoked.

SEC. 117. Section 23910 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

23910. If a person who begins to receive a disability allowance after June 30, 1972, is employed, or is self-employed in any capacity in which his earnings in any one month from such employment amount to 66⅔ percent of the compensation upon which the disability allowance was based increased 2 percent compounded annually from the effective date of the disability allowance, the person shall be presumed capable of performing gainful employment and no longer disabled. The disability allowance shall be terminated on the first day of the month in which the State Teachers' Retirement System is notified that the member has earned 66⅔ percent of compensation as specified above in any prior month during which he received a disability allowance.

SEC. 118. Sectior 23918 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

23918. Any retirant who retired for service, whose last employment as a member of the system prior to such retirement was in the California State University and Colleges, may, without reinstatement from retirement or any loss or interruption of benefits under this part, serve as a member of the teaching staff of the California State University and Colleges for not more than 120 days or earn more than five thousand dollars ($5,000), whichever occurs first, unless the retirant has skills needed in performing specialized work of limited duration provided that such service does not exceed a total earnings of five thousand dollars ($5,000) in any one fiscal year and the rate of pay for such employment shall not be less than the minimum, nor exceed that paid by the employer to other employees performing comparable duties.

SEC. 119. Section 23919 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

23919. Any retirant who is retired for service may be employed in a position requiring certification qualifications for not more than 120 days or earn more than five thousand dollars ($5,000), whichever occurs first, unless the retirant has skills needed in performing specialized work of limited duration provided that such service does not exceed a total earnings of five thousand dollars ($5,000) in any

one fiscal year and the rate of pay for such employment shall not be less than the minimum, nor exceed that paid by the employer to other employees performing comparable duties. The employment does not operate to reinstate the retirant as a member of this system, or to terminate or suspend his retirement allowance, and no deduction shall be made from his salary as contributions to this system. The retirant may be reemployed only if able to pass a physical examination prescribed by the State Board of Education.

At the end of each month in which a retirant performed service in a position requiring membership in the system, the employer or other authorized agency shall report to the system the retirant's name, social security number and salary.

A certificate from a physician or surgeon licensed under Chapter 5 (commencing with Section 2000) of Division 2 of the Business and Professions Code showing that he has submitted to and passed a physical examination within the immediately preceding 12-month period and filed with the county superintendent, or, in the case of a retirant to be employed as a substitute in a position requiring certification qualifications at the California School for the Deaf or the California School for the Blind, filed with the State Department of Education, shall be conclusive evidence of his passing the physical examination required by this section.

SEC. 120. Section 23920 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

23920. A disabilitant may be employed in a position requiring certification qualifications for not more than 120 days or earn more than five thousand dollars ($5,000), whichever occurs first, unless the disabilitant has skills needed in performing specialized work of limited duration provided that such service does not exceed a total earnings of five thousand dollars ($5,000) in any one fiscal year and the rate of pay for such employment shall not be less than the minimum, nor exceed that paid by the employer to other employees performing comparable duties. The employment does not operate to terminate or suspend his disability allowance except as provided in Sections 23908 and 23910, and no deduction shall be made from his salary as contributions to this system.

SEC. 121. Section 23921 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

23921. Effective July 1, 1972, a retirant receiving a disability retirement which was effective prior to July 1, 1972, may be employed in a position requiring certification qualification for not more than 120 days or earn more than five thousand dollars ($5,000), whichever occurs first, unless the retirant has skills needed in performing specialized work of limited duration provided that such service does not exceed a total earnings of five thousand dollars ($5,000) in any one fiscal year and the rate of pay for such employment shall not be less than the minimum, nor exceed that paid by the employer to other employees performing comparable duties. The employment does not operate to terminate or suspend

his disability retirement allowance except as provided in Sections 23906 and 23908 and no deductions shall be made from his salary as contributions to this system.

SEC. 122. Section 24100 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

24100. Upon qualification for disability, a member shall receive a disability allowance, payable monthly, equal to 50 percent of final compensation. The allowance shall be increased by 10 percent of such final compensation for each child to a maximum of four such children.

SEC. 123. Section 24200 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

24200. Any member prior to mailing of his first retirement allowance check and those retirants receiving an estimated allowance under Section 24503 may elect an option which is an actuarially reduced retirement allowance payable throughout the life of the member and his designated beneficiary as follows:

(a) Option 2. Upon the retirant's death, the reduced retirement allowance equal to the reduced amount the retirant was receiving shall be paid to such person as the retirant has nominated by written designation duly executed and filed with the system at the time of his retirement; or

(b) Option 3. Upon the retirant's death, one-half of the reduced retirement allowance the retirant was receiving shall be paid to such person as the retirant has nominated by written designation duly executed and filed with the system at the time of his retirement.

A member may revoke or change his election of an option at any time prior to the mailing of his first retirement allowance check. Those retirants receiving an estimated allowance under Section 24503 shall not change the election after it has been received in the system's office in Sacramento.

After the election has been signed, then the election of the option shall be in full force and effect. If the election form is not received in the office of the system within 90 days after mailing by the system to the member the election form is void and cannot thereafter be used. The system shall then compute the allowance on the basis that no option had been elected.

SEC. 124. Section 24203 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

24203. Any member who has qualified to make application for retirement allowance under Section 23901 may elect, as provided in Section 24200, and without right of revocation or change after the effective date of his retirement to receive an actuarially reduced retirement allowance as of the date of his retirement, of the retirement allowance payable to him when and if he retires for service in a reduced retirement allowance according to the provisions of either option 2 or option 3 as stated in Section 24200. If the death of such member occurs after the date upon which the election has been signed, then the election shall be in full force and

effect. The election shall be void if not received in the system's office in Sacramento within 30 days after the date of signature.

Upon such member's death, prior to the effective date of his retirement, the beneficiary who was nominated under the option elected and who survives shall receive an allowance calculated under such option, upon the assumption that such member retired on the date of death. The payment of such allowance to the beneficiary shall be in lieu of the family allowance provided in Section 23804 and the payment provided in subdivision (a) of Section 23100 and paragraph (1) of subdivision (b) of Section 23800, except that if the beneficiary dies before all accumulated contributions are paid the balance if any shall be paid to the estate of the person last receiving or entitled to receive the allowance. The accumulated annuity deposit contributions and accumulated tax-sheltered annuity contributions, and the amount provided in paragraph (4) of subdivision (b) of Section 23800, shall be paid the designated beneficiary in a lump sum.

If the member subsequently retires, regardless of whether the beneficiary nominated under the option elected is then living, a reduced retirement allowance computed under Section 23800 and the option elected shall be paid.

The amount of the retirement allowance prior to applying the option factor shall be calculated at the member's age at death before retirement, or age on the last day of the month in which the member requested retirement be effective, as the case may be. The reduction of such retirement allowance under the option elected shall be based on the ages of such member and the beneficiary nominated under such option, at the date the election was signed.

SEC. 125. Section 24600 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

24600. (a) The retirement or disability allowance begins to accrue on the effective date of the retirement or disability.

(b) On death of the retirant, a person receiving a disability allowance or a person who is reinstated to membership, the allowance ceases on the day in which the death or reinstatement occurs.

(c) Family benefits begin to accrue on the day of the month following the day the death of the member occurs.

(d) Option benefits begin to accrue on the day of the month following the day the retirant died.

(e) Family or disability allowances payable on account of a full-time student begin to accrue at the beginning of the month during which the full-time student qualified for the allowance. An allowance terminates at the beginning of the month in which the student no longer qualifies for it.

SEC. 126. Section 33332 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

33332. The Director of Finance may give the Director of Education authority to accept on behalf of, and in the name of, the state such gifts, donations, bequests, and devises as may be made to the

Department of Education, or to any school or other institution administered by the Director of Education or the Department of Education, which in his judgment would be of benefit to the state and, if made to a school or other institution, would be of benefit to the school or other institution. Gifts, donations, bequests, and devises may be made subject to such conditions or restrictions as the Director of Education may deem advisable.

SEC. 127. Section 35041.5 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

35041.5. Anything in a city, county, or city and county charter to the contrary notwithstanding, the governing board of any school district or the governing boards of any school districts and any county superintendent of schools may, in lieu of appointing an administrative adviser pursuant to Section 35041, appoint a legal counsel and fix and order paid such counsel's compensation as an employee or as an independent contractor. The duties of the legal counsel may include rendering legal advice to the superintendent of schools and to other officers and employees of the school district or districts and such other administrative duties as may be assigned by the superintendent of schools and the governing board of the district or governing boards of the districts, and serving as the legal counsel of the district or districts in the preparation and conduct of school district litigation and administrative proceedings, and rendering advice in relation to school bond and tax increase measures and prepare all legal papers and forms necessary for the voting of school bonds and tax increase measures in the district or districts. The legal counsel shall have been admitted to practice law in the state, and shall not be required to have any certification qualifications. The term "legal counsel" as used herein includes a solo practitioner, partnership, or a law corporation.

Neither the county counsel or district attorney shall have a duty to perform for a school district or districts any legal services which the legal counsel, while employed by such district or districts, is authorized by this section to perform and which are assigned to legal counsel by the superintendent of schools or the governing board of a district or governing boards of the districts.

In the event a district or districts ceases to employ legal counsel and requests the resumption of legal services by the county counsel or district attorney, the district or districts shall notify the county counsel or district attorney of such fact on or before January 1 of the year preceding the fiscal year in which services are to be resumed.

SEC. 128. Section 35101 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

35101. In newly formed unified school districts there shall be no interim governing board, but the county superintendent of schools having jurisdiction over the particular district shall call an election for the purpose of choosing the first governing board of the district.

The election shall be held on the first Tuesday after the first Monday in March, June, or November next succeeding the call. The

first members of the governing board of the district shall take office on the day the canvass of the election is certified by the county superintendent of schools. The first meeting of the governing board shall be called by the county superintendent of schools not later than the third Monday following the election. The term of office of subsequent members of the board shall begin on April 1st following their election.

SEC. 129. Section 35174 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

35174. The governing board of any school district or any member of the governing board of a school district may prepare or disseminate information or may make public or private appearances or statements for the purpose of urging the passage or defeat of any school measure of the district.

As used in the section, "school measure" includes any proposition for the issuance of bonds of the school district, an increase in the maximum tax rate of the school district, the acceptance, expenditure, and repayment of state funds by the school district to enable the school district to construct buildings and other facilities, or the candidacy of any person for election to the governing board of the school district.

Nothing in this code shall be construed as prohibiting any administrative officer of a school district from appearing at any time before a citizens group, which requests his appearance, to discuss the reasons why the governing board of the school district called an election to submit to the voters of the district a proposition for the issuance of bonds or for an increase in the maximum tax rate of the district and to answer questions put to him by any taxpayer concerning the cost of such proposals.

SEC. 130. Section 35214 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

35214. The board of governors of a school district may provide protection from its own funds for the purpose of covering the liability of the district, its officers, agents, and employees, in lieu of carrying insurance in insurance companies as provided in Section 35208. Nothing contained herein shall be construed as prohibiting the board of education of the district from providing protection against such liability partly by means of its own funds and partly by means of insurance written by insurance companies as provided in Section 35208.

SEC. 131. Section 35300 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

35300. The governing board of any school district may provide in each school within the district an organized and functioning counseling program. Counseling shall include, but not be limited to, the following:

(a) Educational counseling, in which the pupil is assisted in planning and implementing his immediate and long-range educational program.

(b) Career counseling, in which the pupil is assisted in assessing his or her aptitudes, abilities, and interests in order to make realistic career decisions. Such career counseling shall include encouraging students, including women and minorities, to seek apprenticeship training.

(c) Personal counseling, in which the pupil is helped to develop his ability to function with social and personal responsibility.

(d) Evaluating and interpreting test data.

(e) Counseling and consultation with parents and staff members on learning problems and guidance programs for pupils.

For the purposes of this section, a person performing counseling services to pupils shall be a school counselor possessing a valid credential with a specialization in pupil personnel services and assigned specific times to directly counsel pupils regarding their educational, vocational, and social adjustment.

A governing board of a school district which offers such counseling services, may contract with the governing boards of any other school districts, or private schools, or other public and private agencies or organizations, to render such counseling services. In so contracting, the governing board of a school district shall not contract at less than cost to a private school, or private agency or organization.

Nothing in this section shall be construed as prohibiting persons participating in an organized advisory program approved by the governing board of a school district, and supervised by a school district counselor, from advising pupils pursuant to the organized advisory program.

Notwithstanding any provisions of this section to the contrary, any person who is performing such counseling services pursuant to law authorizing the performance thereof in effect before the effective date of this section shall be authorized to continue to perform such services on and after the effective date of this section without compliance with the additional requirements imposed by this section.

SEC. 132. Section 35330 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

35330. The governing board of any school district or the county superintendent of schools of any county may:

(a) Conduct field trips or excursions in connection with courses of instruction or school-related social, educational, cultural, athletic, or school band activities to and from places in the state, any other state, the District of Columbia, or a foreign country for pupils enrolled in elementary or secondary schools. A field trip or excursion to and from a foreign country may be permitted to familiarize students with the language, history, geography, natural sciences; and other studies relative to the district's course of study for such pupils.

(b) Engage such instructors, supervisors, and other personnel as desire to contribute their services over and above the normal period for which they are employed by the district, if necessary, and provide equipment and supplies for such field trip or excursion.

(c) Transport by use of district equipment, contract to provide transportation, or arrange transportation by the use of other equipment, of pupils, instructors, supervisors or other personnel to and from places in the state, any other state, the District of Columbia, or a foreign country where such excursions and field trips are being conducted; provided that, when district equipment is used, the governing board shall secure liability insurance, and if travel is to and from a foreign country, such liability insurance shall be secured from a carrier licensed to transact insurance business in such foreign country.

(d) Provide supervision of pupils involved in field trips or excursions by certificated employees of the district.

No pupil shall be prevented from making the field trip or excursion because of lack of sufficient funds. To this end, the governing board shall coordinate efforts of community service groups to supply funds for pupils in need of them.

No group shall be authorized to take a field trip or excursion authorized by this section if any pupil who is a member of such an identifiable group will be excluded from participation in the field trip or excursion because of lack of sufficient funds.

No expenses of pupils participating in a field trip or excursion to any other state, the District of Columbia, or a foreign country authorized by this section shall be paid with school district funds. Expenses of instructors, chaperones, and other personnel participating in a field trip or excursion authorized by this section may be paid from school district funds, and the school district may pay from school district funds all incidental expenses for the use of school district equipment during a field trip or excursion authorized by this section.

The attendance or participation of a pupil in a field trip or excursion authorized by this section shall be considered attendance for the purpose of crediting attendance for apportionments from the State School Fund in the fiscal year. Credited attendance resulting from such field trip or excursion shall be limited to the amount of attendance which would have accrued had the students not been engaged in the field trip or excursion.

Credited attendance shall not exceed 10 schooldays except in the case of pupils participating in a field trip or excursion in connection with courses of instruction, or school-related educational activities, and which are not social, cultural, athletic or school band activities.

All persons making the field trip or excursion shall be deemed to have waived all claims against the district or the State of California for injury, accident, illness, or death occurring during or by reason of the field trip or excursion. All adults taking out-of-state field trips or excursions and all parents or guardians of pupils taking out-of-state field trips or excursions shall sign a statement waiving such claims.

No transportation allowances shall be made by the Superintendent of Public Instruction for expenses incurred with respect to field trips or excursions which have an out-of-state destination. Any school

district which transports pupils, teachers or other employees of the district in schoolbuses within the state and to destinations within the state, pursuant to the provisions of this section, shall report to the Superintendent of Public Instruction on forms prescribed by him the total mileage of schoolbuses used in connection with such educational excursions. In computing the allowance to such school district for regular transportation there shall be deducted therefrom an amount equal to the depreciation of schoolbuses used for such transportation in accordance with rules and regulations adopted by the Superintendent of Public Instruction.

SEC. 133. Section 35511 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

35511. An action to form a new elementary district is initiated upon the filing with the county superintendent of schools of a petition for the new district. The petition shall be signed by at least 25 percent of the registered electors residing in the territory proposed to be included in the new district.

An action to form a new high school district is initiated upon the filing with the county superintendent of schools of a petition for the new district signed by either of the following:

(a) At least 25 percent of the registered voters residing in the territory proposed to be included in the new district.

(b) A majority of the members of the governing board of each district which would be components of the proposed new district.

A petition to form an elementary and high school district that would result in the formation of a unified school district under the provisions of Section 35503 shall indicate whether the governing board of the new district will have five or seven members, and it may also include a provision for trustee areas.

SEC. 134. Section 35512 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

35512. The county superintendent of schools shall, within 30 days following the regular or special meeting called by the county committee to reveiw the petition, transmit the report and recommendation of the county committee to the office of the secretary of the State Board of Education.

SEC. 135. Section 35515 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

35515. If the State Board of Education approves the formation of the proposed new district, the secretary of the board shall immediately notify the county superintendent of schools. Within 20 days after receiving the notification, he shall call an election, in the manner prescribed in Part 4 (commencing with Section 5000) of Division 1 of Title 1 of this code, to be conducted at the next regular election, in the territory or districts as determined by the State Board of Education. Each provision in a proposal to form a new school district or districts, as provided by the State Board of Education, shall be considered an inherent part of the total proposal and not be construed as a separate proposition. The ballot used in the election

shall contain the words "For the formation of the new _____ District with a revenue limit per unit of average daily attendance of _____, such limit to be in effect for the school year commencing _____" followed by the words "Yes" and "No" so placed that the voter may clearly indicate his choice.

SEC. 136. Section 35518 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

35518. The statement of official information and statistics prepared and distributed pursuant to Section 35516 in connection with the proposed new school district shall contain a statement by the county superintendent of schools, of the amount by which the revenue limit, as computed pursuant to Section 35512.2, of the new district, would be required to be increased in order to produce an amount of revenue equal to the sum of the revenues of each of the districts proposed to be partially or wholly included therein produced by all of the taxes levied, pursuant to statutes authorizing taxes to be levied for particular purposes without compliance with Section 42202, in such districts during the school year prior to the fiscal year in which the election for reorganization was held.

SEC. 137. Section 35704 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

35704. When the petition, report and recommendations are transmitted to the county board of supervisors or county board of education, as the case may be, the county superintendent of schools shall set the matter for hearing by the board of supervisors or county board of education at a regular meeting of the board.

At least 10 days prior to the date of the hearing the county superintendent shall send by certified mail a notice of hearing and a copy of the report and recommendation of the county committee to the chief petitioners, if any have been designated, and to the governing board of each school district whose boundaries would be affected by the proposed change, and shall post copies of the notice as provided in Section 5362 or publish a copy of the notice as provided in Section 5363.

SEC. 138. Section 35705 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

35705. After hearing all interested persons, the board of supervisors or county board of education, as the case may be, shall grant or deny the petition or require an election to be held. If the board grants the petition it shall determine whether all or only part of the territory shall be transferred. If the board requires an election to be held it shall determine whether the election shall be held in the whole elementary or unified district from which the territory would be transferred or whether the election shall be held only in the territory proposed to be transferred. The county superintendent of schools shall call, hold, and conduct any election required by this section.

SEC. 139. Section 37220 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

37220. Except as otherwise provided the public schools shall

continue in session or close on specified holidays as follows:

(a) The public schools shall close on January 1st, February 12th known as "Lincoln Day," the third Monday in February known as "Washington Day," the last Monday in May known as "Memorial Day," July 4th, the first Monday in September known as "Labor Day," November 11th known as "Veterans Day," that Thursday in November proclaimed by the President as "Thanksgiving Day," and December 25th.

(b) The Governor in appointing any other day for a public fast, thanksgiving, or holiday may provide whether the public schools shall close on the day. If the Governor does not provide whether the public schools shall close, they shall continue in session on all special or limited holidays appointed by the Governor, but shall close on all other days appointed by the Governor for a public fast, thanksgiving, or holiday.

(c) The public schools shall close on every day appointed by the President as a public fast, thanksgiving, or holiday, unless it is a special or limited holiday.

(d) The public schools shall continue in session on all legal holidays other than those designated by or pursuant to this section and shall hold proper exercises commemorating the day.

(e) When any of the holidays on which the schools would be closed fall on Sunday, the public schools shall close on the Monday following.

(f) When any of the holidays on which the schools would be closed fall on Saturday, the public schools shall close on the preceding Friday, and such Friday shall be declared a state holiday.

(g) If any holiday on which the public schools are required to close pursuant to subdivision (a) occurs under federal law on a date different than the date specified in subdivision (a), the governing board of any school district may close the public schools of the district on the date recognized by federal law and maintain classes on the date specified in subdivision (a).

(h) Nothing in this section is to be interpreted as authorizing a school district governing board to maintain schools in its district for a lesser number of days during the school year than the minimum established by law.

SEC. 140. Section 37228 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

37228. The governing board of any elementary, high school, or unified school district or any county superintendent of schools may maintain classes on Saturday or Sunday, or both.

Such classes may include, but are not limited to, continuation classes, special day classes for mentally gifted minors, and the programs of a regional occupational center or regional occupational program.

Except as otherwise provided in this code, the attendance of any pupil in a class or program held on a Saturday or Sunday shall not result in the crediting of more than five days of attendance for such

pupil per week.

Attendance at classes conducted on Saturday or Sunday, or both, shall be at the election of the pupil or, in the case of a minor pupil, the parent or guardian of the pupil.

Except as otherwise provided in this code, any class which is offered on a Saturday or Sunday shall be one offered during the regular Monday through Friday school week.

The voluntary attendance of pupils in approved programs for mentally gifted minors, as defined in Section 52200, in special educational acitivities conducted on Saturday or Sunday shall not be included in the computation of the average daily attendance of the district.

SEC. 141. Section 39002 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

39002. The governing board of a school district, prior to acquiring any site on which it proposes to construct any school building as defined in Section 39141 shall have the site, or sites, under consideration investigated by competent personnel to ensure that the final site selection is determined by an evaluation of all factors affecting the public interest and is not limited to selection on the basis of raw land cost only. If the prospective school site is located within the boundaries of any special studies zone or within an area designated as geologically hazardous in the seismic safety element of the local general plan as provided in subdivision (f) of Section 65302 of the Government Code, the investigation shall include such geological and soil engineering studies by competent personnel as are needed to provide an assessment of the nature of the site and potential for earthquake or other geologic hazard damage.

The geological and soil engineering studies of the site shall be of such a nature as will preclude siting of a school in any location where the geological and site characteristics are such that the construction effort required to make the school building safe for occupancy is economically unfeasible. No such studies need be made if the site or sites under consideration have been the subject of adequate prior studies. The evaluation shall also include location of the site with respect to population, transportation, water supply, waste disposal facilities, utilities, traffic hazards, surface drainage conditions, and other factors affecting the operating costs, as well as the initial costs, of the total project.

For the purposes of this article, a special studies zone is defined as one which is shown on any map, or maps, compiled by the State Geologist pursuant to the provisions of Chapter 7.5 (commencing with Section 2621) of Division 2 of the Public Resources Code. A copy of the report of each investigation conducted pursuant to this section shall be submitted to the Department of Education.

SEC. 142. Section 39140 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

39140. The Department of General Services under the police power of the state shall supervise the design and construction of any

school building or, if the estimated cost exceeds twenty thousand dollars ($20,000), the reconstruction or alteration of or addition to any school building, to ensure that plans and specifications comply with the rules and regulations adopted pursuant to this article and building regulations published in the State Building Standards Code, and to ensure that the work of construction has been performed in accordance with the approved plans and specifications, for the protection of life and property. Nothing in this section shall be construed to allow a school district to perform work with its own forces in excess of the limitations set forth in Section 39640 and 39649.

SEC. 143. Section 39143 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

39143. The Department of General Services shall pass upon and approve or reject all plans for the construction or, if the estimated cost exceeds twenty thousand dollars ($20,000), the alteration of any school building. To enable it to do so, the governing board of each school district and any other school authority before adopting any plans for such school building shall submit the plans to the Department of General Services for approval, and shall pay the fees prescribed in this article.

Where the estimated cost of an alteration exceeds ten thousand dollars ($10,000) but does not exceed twenty thousand dollars ($20,000), a structural engineer shall examine the proposed project to determine if it is a nonstructural alteration or a structural alteration. If he determines that the project is a nonstructural alteration, he shall prepare a statement so indicating. If he determines that the project is structural, he shall prepare plans and specifications for the project and shall observe the work of construction. A copy of the engineer's report stating that the work does not affect structural elements, or a copy of the plans and specifications for structural work, as the case may be, shall be filed with the Department of General Services.

SEC. 144. Section 39149 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

39149. As of January 1, 1978, the persons employed as inspectors of record to inspect the construction, reconstruction or alteration of any school building shall be either (a) persons who are registered as construction inspectors in the divisions in which they are to be used, as defined by Section 9101 of the Business and Professions Code or (b) persons who are regularly employed for building code enforcement by the local agency having responsibility for such inspection, and are qualified to perform such inspections under the civil service laws or regulations of such local agency.

Persons employed as assistants to inspectors of record shall be registered construction inspectors or shall be enrolled as inspectors-in-training in the divisions in which they are to be used, as defined by Section 9101.1 of the Business and Professions Code. This section shall not apply to any architect, structural engineer, civil engineer, land surveyor, mechanical engineer, engineering

geologist, or electrical engineer, who holds a valid certificate of registration in this state, insofar as he is practicing within the provisions of the law under which he is registered. This section shall not apply to an inspector approved by the Office of Architecture and Construction and employed pursuant to a particular building contract prior to January 1, 1978, during the performance of that building contract.

SEC. 145. Section 39210 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

39210. The Legislature finds and declares as follows:

(a) By an urgency act (Stats. 1933, Ch. 59), the Legislature at the 1933 General Session established reasonable minimum standards for the design and construction of new school buildings, as now defined in Section 39141. Although it was not required that then existing school buildings incorporate these standards, it was intended by the Legislature that in the intervening years continuous progress would be made in the repair, reconstruction or replacement of such school buildings.

(b) Progress toward this end has been outstanding since 1971 as a result of state funds being made available for rehabilitating or replacing structurally unsafe school facilities.

SEC. 145.5. Section 39214 of the Education Code, as amended by Chapter 1011 of the Statutes of 1976, is amended to read:

39214. "School building" as used in this article excludes any building which is used exclusively for warehouse, storage, garage, or districtwide administrative office purposes, into which pupils are not required to enter, and buildings utilized by adult schools for off campus, voluntary adult education courses or registered apprentice courses.

"School building" as used in this article excludes any building owned or occupied by a unifed school district, high school district, or a county superintendent of schools which is used exclusively for adult education purposes.

If any building so excluded was not constructed in accordance with Article 3 (commencing with Section 39140) of this chapter and was not repaired, reconstructed, or replaced in accordance with this article, there shall be posted in a conspicuous place on such building a public notice stating that such building does not meet the structural standards imposed by law for earthquake safety.

SEC. 146. Section 39227 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

39227. No school building examined and found to be unsafe for school use pursuant to Section 39212 and not repaired or reconstructed in accordance with the provisions of this article, and no school building which has never met the requirements of Article 3 (commencing with Section 39140) of this chapter, shall be used as a school building for elementary or secondary school purposes after June 30, 1975, except as permitted by Article 7 (commencing with Section 39240) of this chapter, unless the governing board of the

school district has requested and obtained from the State Allocation Board authority for use of such building for a specific period beyond such date. Prior to requesting such authority, the governing board shall adopt a resolution declaring the board's intention to utilize the building as a school building after June 30, 1975, pending its repair, reconstruction, or replacement. The State Allocation Board shall not authorize any school district to use such a building beyond June 30, 1975, unless it has first determined that the school district has already proceeded with a plan of total repair, reconstruction or replacement in a timely manner and a contract has been let for any phase of, and work commenced on, such project. In no event shall the State Allocation Board authorize the use of such unsafe facilities for a period extending beyond the completion of the replacement facilities or beyond June 30, 1977, whichever occurs first.

For purposes of this section, "school building" does not include any portable building. Portable buildings may be used beyond June 30, 1975 to meet temporary housing needs until all repair, reconstruction or replacement of all district school buildings is complete or until June 30, 1977, whichever occurs first, provided that the governing board of the district has requested and obtained from the State Allocation Board authority for use of such portable buildings. The State Allocation Board may grant such authority only to those districts in which 20 percent or more of the schools are subject to partial or complete reconstruction pursuant to Section 39212. Any portable buildings for which authority is granted for temporary use pursuant to this section shall not be subject to the provisions of Article 3 (commencing with Section 39140) or Article 6 (commencing with Section 39210) of this chapter during the period of such authorized use.

SEC. 147. Section 39230 of the Education Code, as added by Chapter 1011 of the Statutes of 1976, is amended to read:

39230. The governing board of a school district may undertake corrective measures relating to earthquake safety recommended to the governing board pursuant to Section 39212 in connection with any school building under the jurisdiction of the governing board without compliance with the procedures otherwise prescribed by Section 39216.

The maximum rate of tax of any school district for the fiscal years 1974–75 to 1976–77, inclusive, is hereby increased by such amount as will produce the amount necessary to have any school buildings examined as required by Section 39212 and to effect the corrective structural repairs, reconstruction or replacement relating to earthquake safety recommended pursuant to Section 39212, as shown by the budget of the district for such school year as finally adopted by the governing board of the district, less any unencumbered balances remaining at the end of the preceding school year derived from revenue from the increase in the rate of tax provided by this section. The funds provided by such increase in the tax rate may be used to provide for the housing of pupils temporarily displaced by

the repair, reconstruction, or replacement of school buildings required in order to meet earthquake safety standards.

The increase provided by this section shall not exceed a total increase of ten cents ($0.10) for each one hundred dollars ($100) of the assessed valuation of property within the district in each fiscal year, unless additional funds are specifically required by the district to match state funds provided pursuant to Article 9 (commencing with Section 16310) of Chapter 8 of Part 10 of Division 1 of Title 1. If such additional funds are required by the district, the maximum increase in tax rate provided by this section may be increased by not to exceed an additional ten cents ($0.10) for each one hundred dollars ($100) of assessed valuation of property within the district in each fiscal year such additional funds are required pursuant to Article 9, prior to and including the 1973–74 fiscal year. Such additional tax money may be levied in the 1974–75 fiscal year only if the State Allocation Board has first approved an application of the district pursuant to Article 9. After the 1974–75 fiscal year, any district which has levied the entire twenty-cent ($0.20) amount permitted by this section in the preceding fiscal year and has deposited in the State School Building Fund of the district, the proceeds derived therefrom as matching funds in an application or applications under Article 9 may levy the same twenty-cent ($0.20) tax or so much thereof as is necessary for matching funds for an application or applications under Article 9 in any succeeding fiscal year, including, but not beyond, the 1976–77 fiscal year.

This section shall remain operative only until July 1, 1978, and as of such date is repealed.

Notwithstanding the provisions of this section, the governing board shall comply with the provisions of Section 39212 whenever such compliance is necessary to continue the program of corrective structural repairs, reconstruction, or replacement required pursuant to the provisions of this article.

SEC. 148. Section 39321 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

39321. The governing board of the school district shall obtain the general prevailing rate of per diem wages from the Director of the Department of Industrial Relations for each craft, classification or type of workman needed for the construction of the building and shall specify in the resolution and in the notice, required by Section 39314, or in the resolution required by Section 39315 and in the lease or agreement made pursuant to this article, what the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in the locality is for each craft, classification or type of workmen needed for the construction of the building. The holidays upon which such rate shall be paid need not be specified by the governing board, but shall be all holidays recognized in the collective-bargaining agreement applicable to the particular craft, classification or type of workmen employed on the project.

Any agreement or lease entered into pursuant to this article shall require that such general prevailing rates will be paid. It shall also require that work performed by any workman employed upon the project in excess of eight hours during any one calendar day shall be permitted only upon compensation for all hours worked in excess of eight hours per day at not less than 1½ times the basic rate of pay. There may also be included in leases or agreements entered into pursuant to this article any other requirements with respect to matters related to the subject of this section which the governing board deems necessary or desirable.

SEC. 149. Section 39363.5 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

39363.5. Except as provided for in Article 2 (commencing with Section 39030) of Chapter 1 of this part, the sale or lease with an option to purchase of real property by a school district shall be in accordance with the following priorities and procedures:

(a) First, the property shall be offered for park or recreational purposes pursuant t › Article 8 (commencing with Section 54220) of Chapter 5 of Part 1 of Division 2 of Title 5 of the Government Code, in any instance in which such article is applicable.

(b) Second, the property shall be offered for sale or lease with an option to purchase, at fair market value;

(1) In writing, to the state, the Regents of the University of California, the Trustees of the California State University and Colleges, the county and city in which the property is situated, and to any public housing authority in the county in which the property is situated; and

(2) By public notice to any public district, public authority, public agency, public corporation, or any other political subdivision in this state, to the federal government, and to nonprofit charitable corporations organized pursuant to Part 3 (commencing with Section 10200) of Division 2 of Title 1 of the Corporations Code. Public notice shall consist of at least publishing its intention to dispose of the real property in a newspaper of general circulation within the district, or if there is no such newspaper, then in any newspaper of general circulation that is regularly circulated in the district. The notice shall specify that the property is being made available to all public districts, public authorities, public agencies, and other political subdivisions or public corporations in this state, and to other nonprofit charitable corporations.

Publication of notice pursuant to this section shall be once each week for three successive weeks. Three publications in a newspaper regularly published once a week or more often, with at least five days intervening between the respective publication dates not counting such publication dates, are sufficient. The written notice required by paragraph (1) of this subdivision shall be mailed no later than the date of the second published notice.

The entity desiring to purchase or lease the property shall, within 60 days after the third publication of notice, notify the school district

of its intent to purchase or lease the property. If the entity desiring to purchase or lease the property and the district are unable to arrive at a mutually satisfactory price or lease payment during the 60-day period, the property may be disposed of as otherwise provided in this section. In the event the district receives offers from more than one entity pursuant to this subdivision, the school district governing board may, in its discretion, determine which of such offers to accept.

(c) Third, the property shall be made available in writing to the former owner, in accordance with Section 39369.5.

(d) Fourth, the property may be disposed of in any other manner authorized by law.

SEC. 150. Section 39440 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

39440. Any school district may enter into leases and agreements relating to real property and buildings to be used jointly by the district and any private person, firm, or corporation pursuant to this article. As used in this article, "building" includes onsite and offsite facilities, utilities and improvements which as agreed upon by the parties are appropriate for the proper operation or function of the building to be occupied jointly by the district and the private person, firm, or corporation. It also includes the permanent improvement of school grounds.

Any building, or portion thereof, which is used by a private person, firm, or corporation pursuant to this section shall be subject to the zoning and building code requirements of the local jurisdiction in which the building is situated.

Section 53094 of the Government Code shall not be applicable to uses of school district property or buildings authorized by this section, except in the case of property or buildings used solely for educational purposes.

SEC. 151. Section 39602 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

39602. The governing board of any school district may, by resolution, establish a fund or funds for losses, including but not limited to, school district property, any liability, and workers' compensation in the county treasury for the purpose of covering the deductible amount under deductible types of insurance policies or losses due to noninsured perils. In the fund or funds shall be placed such sums, to be provided in the budget of the school district, as will create an amount which, together with investments made from the fund or funds, will be sufficient in the judgment of the governing board to protect the school district from such losses on the deductible amount under deductible types of insurance policies or losses due to noninsured perils. Nothing in this section shall be construed as prohibiting the governing board from providing protection against such losses partly by means of the fund or funds and partly by means of insurance written by insurers as provided in Section 39601. A school district may contract for claims adjustment and related services. The cost of such services is an appropriate charge against

the appropriate fund.

The fund or funds shall be considered as separate and apart from all other funds of the school district, and the balance therein shall not be considered as being part of the working cash of the school district in compiling annual budgets.

Warrants shall not be drawn on or transfers made from the fund or funds so created; except to reimburse or indemnify the school district for losses as herein specified, and only upon resolution duly adopted by the board of education.

The cash placed in the fund or funds may be invested and reinvested by the county treasurer, with the advice and consent of the governing board of the school district, in securities which are legal investments for surplus county funds in this state. The income derived from such investments, together with interest earned on uninvested funds, shall be considered revenue of and be deposited in the fund.

SEC. 152. Section 39651 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

39651. The governing board of any school district may purchase supplementary textbooks, library books, educational films, audiovisual materials, test materials, workbooks, or periodicals in any amount needed for the operation of the schools of the district without taking estimates or advertising for bids.

SEC. 153. Section 39674 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

39674. The governing board of any school district having an average daily attendance of not less than 5,000 nor more than 7,000, which has not established a security patrol pursuant to this article, may contract with any private patrol operator licensed pursuant to Chapter 11 (commencing with Section 7500) of Division 3 of the Business and Professions Code to aid in the security of the school district's real and personal property; provided however, that notwithstanding any other provision of law to the contrary, no employee of any such private patrol operator shall carry any firearm at any time while performing duties in any school building or on the grounds of any school pursuant to such a contract. Expenditures in any fiscal year for such service shall not exceed four thousand five hundred dollars ($4,500).

For purposes of this section there shall not be included in the average daily attendance of an elementary school district, the attendance of pupils attending the seventh and eighth grades of a junior high school maintained by a high school district.

This section shall remain in effect only until July 1, 1978, and as of that date is repealed.

SEC. 154. Section 39830 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

39830. A schoolbus is defined as any motor vehicle while being used for the transportation of any school pupil at or below the 12th-grade level to and from a public or private school or to and from public or

private school activities, except the following:

(a) A passenger vehicle designed for and when actually carrying not more than eight persons, including the driver, or a motortruck transportating pupils who are seated only in the passenger compartment, except any such vehicle or truck transporting two or more handicapped pupils confined to wheelchairs.

(b) A 9-passenger or 10-passenger station wagon when used for the transportation of not more than eight pupils and the driver, other than the regular transportation of pupils to and from a public or private school or the transportation of mentally retarded or physically handicapped pupils.

(c) A motor vehicle of any type carrying only members of the household of the owner thereof.

(d) A motor vehicle operated by a common carrier, or by and under exclusive jurisdiction of a publicly owned transit system, at the time it is on a scheduled run and is available to the general public.

(e) A motor vehicle operated by a common carrier, or by and under the exclusive jurisdiction of a publicly owned transit system, or by a passenger charter-party carrier and used under a contractual agreement to transport pupils to and from school activities but not used regularly to transport pupils to and from a public or private school.

Notwithstanding any other provisions of this section, the governing board of a district maintaining a community college may, by resolution, designate any motor vehicle operated by or for the district, a schoolbus within the meaning of this section, while it is being used for the transportation of any community college students to and from a public community college or to and from public community college activities. The designation shall not be effective until written notification thereof has been filed with the Superintendent of Public Instruction.

A vehicle defined as a "schoolbus" or exempt under subdivision (d) or (e) which is occupied, aside from the driver, exclusively by school pupils or exclusively by school pupils and persons accompanying them for supervisory purposes, to which the use by the general public is prohibited by the carrier under a contract or agreement with the school and which is being operated to transport pupils to and from a public or private school activity, shall be driven by a driver who possesses a valid California schoolbus driver's certificate as provided for pursuant to regulations adopted by the State Board of Education. Such regulations, however, shall not require drivers who operate such vehicles to duplicate training or schooling that they have otherwise received which is equivalent to that required pursuant to such regulations, nor shall such regulations require drivers who operate such vehicles to take training in first aid; provided, a valid California schoolbus driver's certificate shall not entitle the bearer to drive any other vehicle than that specified in this subdivision, and such driver's certificate shall distinguish drivers who have received a schoolbus driver's certificate pursuant to such

regulations.

SEC. 155. Section 40000 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

40000. The county board of education shall on or before the first day of February of each year establish rules and regulations under which any school district in the county shall, except as provided in Section 40002, purchase standard school supplies and equipment through the county superintendent of schools, or when so directed by him, through a county purchasing agent.

When the county superintendent of schools purchases standard school supplies without directing their purchase through the county purchasing agent or other county, city, or school district agent or agency, he shall make such purchase from the lowest responsible bidder who shall give such security as the county superintendent of schools requires, or else reject all bids. For the purpose of securing bids, the county superintendent of schools shall publish at least once a week for two weeks in a newspaper of general circulation published in the county, a notice calling for bids stating where the list and specifications of standard school supplies and equipment to be furnished may be obtained and the time when, and the place where bids will be opened.

The county board of education shall list as standard school supplies and equipment such supplies and equipment as can be advantageously purchased in quantity. The list of standard school supplies shall be accompanied by a table of specifications giving the minimum grade, quality, substance, or other standard required for the purchase of each item listed.

The cost of advertising for bids and the cost of preparation of a table of specifications shall be paid from the county general fund.

The provisions of this section shall not apply to counties of the first or second class containing no more than three districts with an average daily attendance of less than 2,500.

SEC. 156. Section 40013 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

40013. The governing board of a school district may pay in advance for postage stamps, admission tickets, permits and services provided by other governmental agencies, subscriptions to, or purchases or rentals of, newspapers, magazines, periodicals, single copies of books, films, filmstrips, recordings, and other publications, payments on leases of real property, and for the maintenance of equipment under agreements not exceeding one year for the district and the schools thereof when such action will result in a decrease in the cost to the district or which cannot be secured without payment in advance.

SEC. 157. Section 41015 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

41015. The governing board of any school district which, on or after May 28, 1943, has funds in a special reserve fund of the district or any surplus moneys not required for the immediate necessities of the district, is hereby authorized to invest all or any part of such funds

in bonds, notes, bills, certificates, debentures or other obligations, issued by the United States of America, bank time certificates, savings and loan deposits, or obligations issued by banks for cooperatives, federal land banks, federal intermediate credit banks, federal home loan banks, the Federal Home Loan Bank Board, the Tennessee Valley Authority, or in obligations, participations, or other instruments of or issued by, or fully guaranteed as to principal and interest by, the Federal National Mortgage Association; or in participation certificates evidencing beneficial interests in obligations, or in the right to receive interest and principal collections therefrom, which obligations have been subjected by one or more government agencies to a trust or trusts for which any executive department, agency, or instrumentality of the United States (or the head thereof) has been named to act as trustee.

Any bonds, notes, bills or certificates, debentures or other obligations, so purchased may be sold and the proceeds reinvested in similar bonds, notes, bills or certificates, debentures or other obligations, of the United States of America, its agencies, or its instrumentalities, or placed in the county treasury for credit to the fund of the district from which purchased. This section shall not be construed as in any way limiting or modifying the application of any other law providing for or authorizing the investment of any funds of a school district. Notwithstanding any other provision of law, interest earned on funds representing the proceeds of bonds of the district shall be deposited and retained in the interest and sinking fund of the district to meet the principal and interest falling due on such bonds.

SEC. 158. Section 41020 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

41020. Not later than the first day of May of each fiscal year each county superintendent of schools shall provide for an audit of all funds under his jurisdiction and control and the governing board of each district shall either provide for an audit of the books and accounts of the district or make arrangements with the county superintendent of schools having jurisdiction over the district to provide for such auditing. In the event the governing board of a school district has not provided for an audit of the books and accounts of the district by April 1st, the county superintendent of schools having jurisdiction over the district shall provide for the audit.

Each audit shall include all funds of the district including the student body and cafeteria funds and accounts and any other funds under the control or jurisdiction of the district; funds of regional occupational centers and programs maintained by the county superintendent of schools, a school district, or pursuant to a joint powers agreement.

The cost of the audits provided for by the county superintendent of schools shall be paid from the county school service fund and the county superintendent of schools shall transfer the pro rata share of the cost chargeable to each district from district funds.

The cost of the audit provided for by a governing board shall be paid from district funds. The audit of the funds under the jurisdiction and control of the county superintendent of schools shall be paid from the county school service fund.

The audits shall be made by a certified public accountant or a public accountant, licensed by the State Board of Accountancy. Not later than November 15th, a report of each audit for the preceding fiscal year shall be filed with the county clerk and the county superintendent of schools of the county in which the district is located, the Department of Education and the Department of Finance. The submission date may be extended to, but not later than, December 31 for justifiable cause upon written request by the auditor and approval by the county superintendent of schools. The Superintendent of Public Instruction shall make any adjustments necessary in future apportionments of state funds, to correct any discrepancies revealed by such audit reports under the provisions of Section 41341.

Each county superintendent of schools shall be responsible for the correction of any discrepancies revealed by audit reports issued pursuant to this section which do not affect state funds and are not corrected by Section 41341 when the discrepancies affect any funds under his control or the control of any school district within his jurisdiction. The county superintendent of schools is authorized to adjust the future local property tax requirements determined by subdivisions (i) and (j) of Section 42238 to correct these audit discrepancies.

If a governing board or county superintendent of schools fails or is unable to make satisfactory arrangements for audit pursuant to this section, the Department of Finance may make arrangements for the audit and the cost of such audit shall be paid from school district funds or the county school service fund as the case may be.

The Department of Finance with the cooperation of the Department of Education shall prescribe the statements and other information to be included in the audit reports filed with the state. The Department of Finance may make such audits, surveys and reports, and may develop suggested procedures for carrying out the purposes of this section, as in the judgment of the department will serve the best interests of the state. Audits of regional occupational centers and programs made pursuant to Section 6505 of the Government Code are subject to the provisions of this section.

Nothing in this section shall be considered as authorizing examination into or report on the curriculum used or provided for in any school district.

SEC. 159. Section 41201 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

41201. Any state department, board, or agency which allocates funds to any school district on the basis of the assessed valuation of property within the district, or which makes any computation on this basis for school building fund repayment purposes, shall average the

factor certified for the current year under Section 41200 for the local roll of the county in which the district is located with the factors so certified for the two immediately preceding years; provided, that, in the event that an assessment ratio announced by a county assessor for the 1970–71 tax year is less than 25 percent, the factor for such county for such year shall be multiplied by a fraction in which the announced ratio is the numerator and 25 percent is the denominator before averaging the factor of that county for 1970–71 with the 1971–72 and 1972–73 factors. The department, board, or agency shall then modify that part of the valuation of the district shown on the local roll by application of this three-year-average fact or carried to three decimal places. If a district is located in more than one county, this modification shall be made by applying the average factor appropriate for the assessed value of the property upon the local roll of each county within which the district is located. If the factor for the current year is not provided to the county superintendent of schools by the fifth working day in August, the preliminary factor may be used in its place for determining the average factor to be used to modify the locally assessed valuation of a school district for allocating equalization aid, and for computing loan repayments to the state.

SEC. 160. Section 41301 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

41301. The amount transferred to Section A of the State School Fund pursuant to subdivision (b) of Section 14002 and Section 14004 shall be expended in accordance with the following schedule:

(a) Twenty-one dollars and fifty cents ($21.50) multiplied by the total average daily attendance credited during the preceding school year to elementary school districts which during the preceding school year had less than 901 units of average daily attendance, to high school districts which during the preceding school year had less than 301 units of average daily attendance, and to unified districts which during the preceding school year had less than 1,501 units of average daily attendance, but not to exceed an amount equal to seventy-nine cents ($0.79) multiplied by the average daily attendance credited during the preceding fiscal year to all elementary, high, and unified school districts and to all county superintendents of schools in the state, for allowance to county school service funds pursuant to subdivision (a) of Section 14054.

(b) Eleven dollars and forty-one cents ($11.41) multiplied by the total average daily attendance credited to all elementary, high, and unified school districts and to all county superintendents of schools in the state, during the preceding school year for the purposes of Article 10 (commencing with Section 41850) of Chapter 5 of this part.

(c) Twenty-nine dollars and twenty-seven cents ($29.27) multiplied by the total average daily attendance credited to all elementary, high, and unified school districts and to all county superintendents of schools in the state, during the preceding school year, for the purposes of Article 3 (commencing with Section 56030)

of Chapter 1, Chapter 3 (commencing with Section 56500), Chapter 5 (commencing with Section 56700) of Part 30 of Division 4 of this title, and Sections 41863, 41866, 41892, and 41897.

(d) Three dollars and forty-four cents ($3.44) multiplied by the total average daily attendance credited to all elementary, high, and unified school districts and to all county superintendents of schools in the state during the preceding school year for allowances to county school service funds pursuant to subdivision (b) of Section 14054.

(e) Three dollars and eighteen cents ($3.18) multiplied by the average daily attendance during the preceding fiscal year credited to all elementary, high, and unified school districts and to all county superintendents of schools in the state for allowances to school districts for the purposes of Section 52205.

(f) Two hundred eighty dollars and sixty-four cents ($280.64) multiplied by the average daily attendance during the preceding fiscal year credited to all elementary, high, and unified school districts and to all county superintendents of schools in the state during the preceding school year for basic aid, equalization aid, allowances for adults, and allowances to the county school tuition funds to be apportioned on account of average daily attendance. The amount expended pursuant to this subdivision shall be annually revised to reflect the adjustment prescribed by subdivision (e) of Section 14002.

(g) Sixteen dollars and forty-eight cents ($16.48) multiplied by the average daily attendance during the preceding school year credited to all elementary, high, and unified school districts and to all county superintendents of schools in the state for purposes of Chapter 4 (commencing with Section 56600) of Part 30 of Division 4 of this title.

SEC. 160.5. Section 41372 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

41372. For purposes of this section:

(a) "Salaries of classroom teachers" and "teacher" shall have the same meanings as prescribed by Section 41011 provided, however, that the cost of all health and welfare benefits provided to the teachers by the school district shall be included within the meaning of salaries of classroom teachers.

(b) "Current expense of education" means the gross total expended (not reduced by estimated income or estimated federal and state apportionments) for the purposes classified in the final budget of a school district (except one which, during the preceding fiscal year, had less than 101 units of average daily attendance) submitted to and approved by the county superintendent of schools pursuant to Section 42127 for certificated salaries other than certificated salaries for pupil transportation, food services, and community services; classified salaries other than classified salaries for pupil transportation, food services, and community services; employee benefits other than employee benefits for pupil transportation personnel, food services personnel, and community

services personnel; books, supplies, and equipment replacement other than for pupil transportation and food services; and community services, contracted services, and other operating expenses other than for pupil transportation, food services, and community services. "Current expense of education," for purposes of this section shall not include those expenditures classified as sites, buildings, books, and media and new equipment (object of expenditure 6000 of the California School Accounting Manual), the amount expended from categorical aid received from the federal or state government which funds were granted for expenditures in a program not incurring any teacher salary expenditures or requiring disbursement of the funds without regard to the requirements of this section, or expenditures for facility acquisition and construction; and shall not include the amount expended pursuant to any lease agreement for plant and equipment or the amount expended from funds received from the federal government pursuant to the "Economic Opportunity Act of 1964" or any extension of such act of Congress.

There shall be expended during each fiscal year for payment of salaries of classroom teachers:

(a) By an elementary school district, sixty percent (60%) of the district's current expense of education.

(b) By a high school district, fifty percent (50%) of the district's current expense of education.

(c) By a unified school district, fifty-five percent (55%) of the district's current expense of education.

If the Superintendent of Public Instruction determines that a school district has not expended the applicable percentage of current expense of education for the payment of salaries of classroom teachers during the preceding fiscal year, he shall, in apportionments made to the school district from the State School Fund after April 15 of the current fiscal year, designate an amount of such apportionment or apportionments equal to the apparent deficiency in district expenditures. Any amount so designated by the Superintendent of Public Instruction shall be deposited in the county treasury to the credit of the school district, but shall be unavailable for expenditure by the district pending the determination to be made by the Superintendent of Public Instruction on any application for exemption which may be submitted to the Superintendent of Public Instruction. In the event it appears to the governing board of a school district that the application of the preceding paragraphs of this section during a fiscal year results in serious hardship to the district, or in the payment of salaries of classroom teachers in excess of the salaries of classroom teachers paid by other districts of comparable type and functioning under comparable conditions, the board may, with the written approval of the county superintendent of schools having jurisdiction over the district apply to the Superintendent of Public Instruction in writing not later than September 15th of the succeeding fiscal year for exemption from the requirements of the preceding paragraphs of this section for the

fiscal year on account of which the application is made. Upon receipt of such application, duly approved, the Superintendent of Public Instruction shall grant the district exemption for any amount that is less than one thousand dollars ($1,000), and if the amount is one thousand dollars ($1,000), or greater may grant the district exemption, to the extent deemed necessary by him, from such requirements for the fiscal year on account of which the application is made. If such exemption is granted the designated moneys shall be immediately available for expenditure by the school district governing board. If no application for exemption is made or exemption is denied, the Superintendent of Public Instruction shall order the designated amount or amount not exempted to be added to the amounts to be expended for salaries of classroom teachers during the next fiscal year.

The Superintendent of Public Instruction shall enforce the requirements prescribed by this section, and may adopt necessary rules and regulations to that end. He may require the submission to him, during the school year, by school district governing boards and county superintendents of schools, of such reports and information as may be necessary to carry out the provisions of this section.

SEC. 160.7. Section 160.5 of this act shall become operative on July 1, 1977.

SEC. 161. Section 41601 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

41601. For the purposes of this chapter, the governing board of each school district shall report to the Superintendent of Public Instruction during each fiscal year the average daily attendance of the district for all full school months during (1) the period between July 1st and December 31st, inclusive, to be known as the "first period" report for the first principal apportionment, and (2) the period between July 1st and April 15th, inclusive, to be known as the "second period" report for the second principal apportionment. The county superintendent of schools shall report the average daily attendance for the schools and classes maintained by him and the average daily attendance for the county school tuition fund. If the average daily attendance in the regular day schools of a district for the period of time between July 1 and June 30 is greater or lesser than the average daily attendance in the regular day schools reported for the second period report, the appropriate increases and decreases in the several categories of attendance for which separate foundation programs are required to be computed shall be recomputed on the basis of the foundation program and assessed valuation of the district of the fiscal year in which such increases and decreases in average daily attendance were applicable and the appropriate increases and decreases in apportionments shall be added or withheld in the next succeeding fiscal year pursuant to Section 41341.

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

following manner:

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

With the exception of days of attendance in special day classes convened, or other instruction provided a pupil for days in a school year which are in excess of the number of days in the school year on which the regular day schools of a district are convened, if the average daily attendance in schools and classes maintained by school districts other than regular day schools and classes for the period of time between July 1 and June 30 is greater or lesser than the average daily attendance in such schools and classes reported for the second period report, the separate state support which is provided for attendance in such schools and classes shall be recomputed on the basis of the fiscal year average daily attendance, and increases and decreases in apportionments shall be added or withheld in the next succeeding fiscal year pursuant to Section 41341.

(b) The average daily attendance in summer school and outdoor science and conservation education classes maintained during the period between the last day the regular day schools are in session during the preceding year and the first day the regular day schools are in session during the current year shall be reported on both the first period and second period reports. Such average daily attendance shall be computed by dividing the days of attendance allowed by 175.

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

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

SEC. 162. Section 41700 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

41700. The Superintendent of Public Instruction shall compute for each elementary, high school, and unified district the appropriate

amount of a foundation program of school support therefor, in the manner prescribed by this article, using the dollar amounts contained in the various sections of this article which apply.

SEC. 163. Section 41718 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

41718. (a) For the 1976–77 fiscal year, each elementary school foundation program shall be increased by one hundred three dollars ($103) and each high school foundation program shall be increased by one hundred four dollars ($104).

(b) For the 1977–78 fiscal year, the increase in elementary and high school foundation programs shall be the prior year's percentage change in the index of "Government Purchases of Goods and Services, State and Local," but no less than 6 percent nor greater than 8 percent, times an amount which is determined as follows: (1) Multiply the unit elementary school foundation program for unified districts which have an elementary average daily attendance of 901 or more by the elementary foundation program units of average daily attendance of unified districts with 901 or more elementary average daily attendance, plus (2) multiply the unit high school foundation program for unified districts which have a high school average daily attendance of 301 or more, by the average daily attendance of unified school districts with 301 or more high school daily attendance, and (3) divide the results by the sum of the average daily attenance in unified districts with 901 or more elementary average daily attendance plus the average daily attendance in unified districts with 301 or more high school average daily attendance.

(c) For the 1978–79 fiscal year and fiscal years thereafter, and if the Legislature does not provide otherwise, the increase in elementary and high school foundation programs shall be 6 percent times an amount which is determined as follows: (1) Multiply the unit elementary school foundation program for unified districts which have an elementary average daily attendance of 901 or more by the elementary foundation program units of average daily attendance of unified districts with 901 or more elementary average daily attendance, plus (2) multiply the unit high school foundation program for unified districts which have a high school average daily attendance of 301 or more, by the average daily attendance of unified school districts with 301 or more high school average daily attendance, and (3) divide the result by the sum of the average daily attendance in unified districts with 901 or more elementary average daily attendance plus the average daily attendance in unified districts with 301 or more high school average daily attendance.

SEC. 164. Section 41761 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

41761. The Superintendent of Public Instruction shall compute for each district described herein which does not come within the provisions of Section 41762 the amount, to be known as district aid, which a tax levied on each one hundred dollars ($100) of 100 percent

of the assessed valuation in such district as shown by the equalized assessment roll of the district for the current year pursuant to Section 41760.5, as modified pursuant to Section 41201, would produce if levied, if such tax was:

(a) Two dollars and twenty-three cents ($2.23) in an elementary school district.

(b) One dollar and sixty-four cents ($1.64) in a high school district.

SEC. 165. Section 41762 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

41762. The Superintendent of Public Instruction shall compute the areawide aid to be utilized in determining state apportionments to be made for the support of elementary school districts and high school districts with respect to which an areawide foundation program is computed under Article 3 (commencing with Section 41750) of this chapter. Areawide aid shall be the amount which a tax levied on each one hundred dollars ($100) of 100 percent of the assessed valuation for the current fiscal year pursuant to Section 41760.5, modified where necessary pursuant to Section 41201, of the area comprising all of such elementary school districts and all of such high school districts would produce, if levied, if such tax were: (a) in the case of the elementary school district area, one dollar ($1); and (b) in the case of the high school district area, eighty cents ($0.80).

If the Superintendent of Public Instruction finds that the difference obtained by subtracting the areawide aid as computed under the above provisions of this section from the areawide foundation program is less than the product obtained by multiplying the average daily attendance used for foundation program purposes by one hundred twenty-five dollars ($125), he shall reduce the areawide aid to an amount which, when added to such product, will equal the amount of the areawide foundation program.

SEC. 166. Section 41840 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

41840. The allowance for each unit of average daily attendance during the 1976–77 fiscal year for adults, as adults are defined in Section 52610, for high school districts shall be the adult foundation program of eight hundred sixty-two dollars ($862) less the product of one dollar ($1) multiplied by each one hundred dollars ($100) of the assessed valuation of the district, as modified pursuant to Section 41201, per unit of total regular high school average daily attndance plus adult average daily attendance. The total of state aid shall not be less than one hundred twenty-five dollars ($125) per unit of average daily attendance.

For each subsequent fiscal year, the foundation program for adults in high schools for the previous fiscal year shall be increased by the same percentage increase by which the high school foundation program is increased.

SEC. 167. Section 41856 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

41856. (a) He shall allow to each elementary school district, and

high school district, except as to any to which subsections (b), (c) and (d) of this section or Section 41859 is applicable, which during the preceding fiscal year provided for the transportation of pupils, an amount which shall be computed as follows:

He shall determine the total current expenses of the district for such transportation during the preceding fiscal year. He shall then determine what rate of tax levied on each one hundred dollars ($100) of the assessed valuation of the district as shown by the equalized assessment roll of the district for the preceding fiscal year pursuant to Section 41760.5, hereinafter referred to in this section as computed tax rate, would, if levied, produce such amount. If the computed rate of tax is more than two cents ($0.02) he shall allow to the district (1) 50 percent of the amount which would be produced by not more than eight cents ($0.08) of the computed tax rate less two cents ($0.02), (2) 75 percent of the amount which would be produced by not more than sixteen cents ($0.16) of computed tax less eight cents ($0.08), (3) 80 percent of the amount which would be produced by not more than twenty-four cents ($0.24) of the computed tax less sixteen cents ($0.16), and (4) 90 percent of the amount which would be produced by the computed tax less twenty-four cents ($0.24).

(b) He shall allow to each elementary school district which is not a part of a high school district and which during the preceding fiscal year provided for the transportation of pupils to the elementary schools of the district and to one or more high schools in other districts an amount which shall be computed as follows:

He shall determine the total current expenses of the districts for such transportation during the preceding fiscal year. He shall then determine what rate of tax levied on each one hundred dollars ($100) of the assessed valuation of the district as shown by the equalized assessment role of the district for the preceding fiscal year pursuant to Section 41760.5, hereinafter referred to in this section as computed tax rate, would, if levied, produce such amount. If the computed rate of tax is more than four cents ($0.04) he shall allow to the district (1) 50 percent of the amount which would be produced by not more than sixteen cents ($0.16) of the computed tax rate less four cents ($0.04), (2) 75 percent of the amount which would be produced by not more than thirty-two cents ($0.32) of the computed tax rate less sixteen cents ($0.16), (3) 80 percent of the amount which would be produced by not more than forty-eight cents ($0.48) of the computed tax rate less thirty-two cents ($0.32), and (4) 90 percent of the amount which would be produced by the computed tax rate less forty-eight cents ($0.48).

If an elementary district which is not a part of a high school district provides only for the transportation of pupils to a high school, an amount shall be computed as provided in subdivision (a) of this section.

(c) He shall allow to each high school district not a part of any community college district which during the preceding fiscal year provided for the transportation of pupils to the high schools of the

district and pupils attending community colleges maintained by other districts an amount which shall be computed as follows:

He shall determine the total current expenses of the districts for such transportation during the preceding fiscal year. He shall then determine what rate of tax levied on each one hundred dollars ($100) of the assessed valuation of the district as shown by the equalized assessment roll of the district for the preceding fiscal year pursuant to Section 41760.5, hereinafter referred to in this section as computed tax rate, would, if levied, produce such amount. If the computed rate of tax is more than four cents ($0.04) he shall allow to the district (1) 50 percent of the amount which would be produced by not more than sixteen cents ($0.16) of the computed tax rate less four cents ($0.04), (2) 75 percent of the amount which would be produced by not more than thirty-two cents ($0.32) of the computed tax rate less sixteen cents ($0.16), (3) 80 percent of the amount which would be produced by not more than forty-eight cents ($0.48) of the computed tax rate less thirty-two cents ($0.32), and (4) 90 percent of the amount which would be produced by the computed tax rate less forty-eight cents ($0.48).

If a high school district which is not a part of a community college district provides only for the transportation of pupils to a community college, an amount shall be computed as provided in subdivision (a) of this section.

SEC. 168. Section 41857 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

41857. (a) He shall allow to each unified school district formed under the provisions of Sections 4240 to 4419, inclusive, and Sections 35780 to 35810, inclusive, the formation of which became effective on July 1, 1948, or thereafter, an amount equal to the total current expenses of the district during the preceding fiscal year for the transportation of pupils, determined by the Superintendent of Public Instruction to have been required because of a change of the location of schoolhouses or the reorganization of attendance centers within the district during such preceding fiscal year. No allowance shall be made under this paragraph subsequent to the close of the fifth fiscal year following that in which the district was formed and thereafter the provisions of subsection (b) or (c) of this section shall control as to such district.

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

He shall determine the total current expenses of the district for such transportation during the preceding fiscal year. He shall then determine what rate of tax levied on each one hundred dollars ($100) of the assessed valuation of the district as shown by the equalized assessment roll of the district for the preceding fiscal year pursuant to Section 41760.5, hereinafter referred to in this section as computed tax rate, would, if levied, produce such amount. If the computed rate

of tax is more than three cents ($0.03) he shall allow to the district (1) 50 percent of the amount which would be produced by not more than twelve cents ($0.12) of the computed tax rate less three cents ($0.03), (2) 75 percent of the amount which would be produced by not more than twenty-four cents ($0.24) of the computed tax rate less twelve cents ($0.12), (3) 80 percent of the amount which would be produced by not more than thirty-six cents ($0.36) of the computed tax rate less twenty-four cents ($0.24), and (4) 90 percent of the amount which would be produced by the computed tax rates less thirty-six cents ($0.36).

SEC. 169. Section 41859 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

41859. He shall compute for each group of two or more school districts which have been continuously from a time prior to July 1, 1949, governed by boards of identical personnel during the preceding fiscal year and have maintained a single transportation system for all of such districts which provided for the transporation of pupils, an amount which shall be computed as follows:

He shall determine the total current expenses of the districts for such transporation during the preceding fiscal year.

(a) He shall, if such group comprises an elementary school district and a high school district, and each district provided for the transportation of pupils, or comprises an elementary school district, a high school district, and each district provided for the transportation of pupils residing in the district, or comprises a high school district and each district provided for the transportation of pupils, then determine what rate of tax levied on each one hundred dollars ($100) of the assessed valuation of that one of such districts providing for the transportation of pupils which has the largest assessed valuation as shown by the equalized assessment roll of the district for the preceding fiscal year pursuant to Section 41760.5, hereinafter referred to in this section as computed tax rate, would, if levied, produce such amount. If the computed rate of tax is more than three cents ($0.03) he shall allow the district (1) 50 percent of the amount which would be produced by not more than twelve cents ($0.12) of the computed tax rate less three cents ($0.03), (2) 75 percent of the amount which would be produced by not more than twenty-four cents ($0.24) of the computed tax rate less twelve cents ($0.12), (3) 80 percent of the amount which would be produced by not more than thirty-six cents ($0.36) of the computed tax rate less twenty-four cents ($0.24), and (4) 90 percent of the amount which would be produced by the computed tax rate less thirty-six cents ($0.36).

(b) He shall, if such group comprises an elementary school district, and a high school district, each of which provided for the transportation of pupils, then determine what rate of tax levied on each one hundred dollars ($100) of the assessed valuation of that one of such districts providing for the transportation of pupils which had the largest assessed valuation as shown by the equalized assessment

roll of the district for the preceding fiscal year pursuant to Section 41760.5, hereinafter referred to in this section as computed tax rate, would, if levied, produce such amount. If the computed rate of tax is more than four cents ($0.04) he shall allow to the district (1) 50 percent of the amount which would be produced by not more than sixteen cents ($0.16), of the computed tax rate less four cents ($0.04), (2) 75 percent of the amount which would be produced by not more than thirty-two cents ($0.32) of the computed tax rate less sixteen cents ($0.16), (3) 80 percent of the amount which would be produced by not more than forty-eight cents ($0.48) of the computed tax rate less thirty-two cents ($0.32), and (4) 90 percent of the amount which would be produced by the computed tax rate less forty-eight cents ($0.48).

He shall then allow to each district in the group the same ratio of the total amount computed for the group as the governing boards of the districts in the groups certify to him is the ratio the amount expended for such transportation in such district during the preceding fiscal year was of the total expenditures of all districts in the group for such transportation during the preceding fiscal year.

SEC. 170. Section 41863 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

41863. (a) In addition to all other amounts allowed to a school district under this article, the Superintendent of Public Instruction shall allow to each school district for transporting blind, deaf, aphasic, orthopedic or other health-impaired, and other physically impaired pupils handicapped in mobility, mentally retarded pupils who come within the provisions of Section 56515, autistic pupils who come within the provisions of Section 56601, and multihandicapped pupils, to and from special day classes, three hundred eighty-nine dollars ($389) for each unit of average daily attendance of such pupils during the fiscal year resulting from the attendance of such pupils on the special day classes to and from which they are transported by the district.

In addition to all other amounts allowed to a school district under this article, the Superintendent of Public Instruction shall allow to each school district for transporting deaf, severely hard-of-hearing, blind, deaf-blind, or other multihandicapped pupils who come within the provisions of Section 56160, to and from experimental programs approved by him, three hundred eighty-nine dollars ($389) for each unit of average daily attendance of such pupils during the fiscal year resulting from the attendance of such minor pupils in the experimental programs to and from which they are transported by the district.

(b) The Superintendent of Public Instruction shall allow to the county school service fund of each county for transporting blind, deaf, aphasic, orthopedic or other health-impaired, and other physically impaired pupils handicapped in mobility, mentally retarded pupils who come within the provisions of Section 56515, autistic pupils who come within the provisions of Section 56601, and

multihandicapped pupils, to and from special day classes, three hundred eighty-nine dollars ($389) for each unit of average daily attendance during the fiscal year resulting from the attendance of such pupils on the special day classes to and from which they are transported by the county superintendent of schools.

The Superintendent of Public Instruction shall allow to the county school service fund of each county for transporting deaf, severely hard-of-hearing, blind, deaf-blind, or other multihandicapped pupils who come within the provisions of Section 56160, to and from experimental programs approved by him, three hundred eighty-nine dollars ($389) for each unit of average daily attendance of such pupils during the fiscal year resulting from the attendance of such pupils in the experimental programs to and from which they are transported by the county superintendent of schools.

(c) For each school district and county superintendent of schools furnishing transportation pursuant to subdivision (a) or subdivision (b) under circumstances requiring the operation of vehicles exclusively for such purpose, the Superintendent of Public Instruction shall allow under each such subdivision 75 percent of any expense in excess of three hundred eighty-nine dollars ($389), but the additional allowance shall not exceed seventy-three dollars ($73), per unit of average daily attendance of such pupils. Such amount shall be allowed as a part of the second principal apportionment upon special request made therefor to, and upon approval by, the Superintendent of Public Instruction.

(d) As used in this section, "physically impaired pupils handicapped in mobility" means those pupils who are deemed eligible for special class placement as defined by the State Board of Education.

(e) If the Superintendent of Public Instruction determines that the current expense of providing transportation under this section does not equal or exceed the allowance provided for such purpose, then the amount of the deficiency shall be withheld from state apportionments to the school district or the county superintendent of schools, as the case may be, in accordance with the procedure prescribed in Section 41341. Such amounts withheld shall then be apportioned, on a pro rata basis against the expenses, to those districts which maintain and operate vehicles exclusively for the transportation of handicapped pupils. In no case shall any district receive an amount greater than its total current expense in providing such transportation.

SEC. 171. Section 41886 of the Education Code, as amended by Chapter 1011 of the Statutes of 1976 is amended to read:

41886. The Superintendent of Public Instruction shall allow to each school district or county superintendent of schools for the education of educationally handicapped pupils in special classes during the current fiscal year an amount computed as follows:

(a) He shall divide the average daily attendance in each particular class size category by the maximum class size established for each

particular class size category, and increase the quotient to the next highest integer where a fractional amount is produced.

(b) He shall then determine for each particular class size category the product of the amount computed under subdivision (a) multiplied by the maximum class size established by law for special day classes for the particular category.

(c) He shall then multiply the amount computed under subdivision (b) by the following amount of the particular level and category:

Category	Elementary grades (K–8)	High school grades (9–12)
Educationally handicapped		
Class size maximum of 12	$1,000	$870
Autistic		
Class size maximum of 6	$4,500	$4,315

SEC. 172. Section 41888 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

41888. (1) In addition to the allowances provided under Sections 41882 to 41886, inclusive, the Superintendent of Public Instruction shall allow to school districts and county superintendents of schools for each unit of average daily attendance an amount as follows:

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

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

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

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

(e) For instruction of blind pupils when a reader has actually been provided to assist the pupil with his studies, or for individual instruction in mobility provided blind pupils under regulations prescribed by the State Board of Education, or when braille books are purchased, ink print materials are transcribed into braille, or sound recordings and other special supplies and equipment are purchased for blind pupils, or for individual supplemental instruction in vocational arts, business arts, or homemaking for blind pupils, nine hundred ten dollars ($910).

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

Education shall provide.

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

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

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

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

(j) In lieu of benefits provided under subdivision (d) of Section 41888, there shall be allowed for the individualized remedial instruction of speech handicapped pupils by specially trained noncredentialed teaching assistants under the direct guidance of a speech therapist, one thousand eighteen dollars ($1,018).

(2) (a) The allowances provided under Sections 41882 to 41886, inclusive, may be increased proportionately on account of special day classes convened, or other instruction provided a pupil, for days in a school year which are in excess of the number of days in the school year on which the regular day schools of a district are convened. The average daily attendance of pupils enrolled for such excess days shall be credited to the school district in the fiscal year in which the last day of such excess days falls.

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

SEC. 173. Section 41915 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

41915. Any contract entered into and approved in the manner provided pursuant to Section 41913 shall entitle the approved driver training school to payment by the school district of the sum of not more than the amount reimbursable to the school district as "excess cost" provided pursuant to Sections 41306, 41900, and 41903. In the event that a student who has commenced the driver training for which the district has contracted pursuant to Section 41913 and the student does not complete the driver training for any reason, the approved private driver training school shall be paid the amount in "excess cost," if any, received by the school district for such student.

SEC. 174. Section 42238 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

42238. For the 1974–75 fiscal year and each fiscal year thereafter, (a) the maximum general purpose tax rate for each elementary, high, and unified school district in the county shall be computed pursuant to this section by the county superintendent of schools.

(b) The revenue limit per foundation program unit of average

daily attendance for the district for the prior fiscal year shall be divided into the appropriate foundation program amount per unit of average daily attendance for the prior year. If the quotient is greater than one, it shall be deemed to be one.

(c) The foundation program amount per unit of average daily attendance used as the dividend in subdivision (b) shall be determined by the Superintendent of Public Instruction pursuant to this subdivision. For elementary school districts, it shall be the foundation program for districts which have an average daily attendance of 901 or more. For high school districts it shall be the foundation program for districts with an average daily attendance of 301 or more. For unified districts, it shall be the sum of (1) the foundation program of elementary districts which have an average daily attendance of 901 or more multiplied by the elementary foundation program units of average daily attendance of unified districts in the second principal apportionment, plus (2) the foundation program for high school districts with an average daily attendance of 301 or more multiplied by the high school foundation program units of average daily attendance of unified districts in the second principal apportionment divided by the sum of the elementary and high school units of average daily attendance of unified districts in the second principal apportionment.

(d) The inflation adjustment shall be based on the increase in the foundation program amount per unit of average daily attendance for the budget year compared with the preceding year.

(e) The amount determined pursuant to subdivision (d) shall be multiplied by the quotient determined pursuant to subdivision (b). The resultant amount shall constitute the revenue limit inflation adjustment of the district per unit of average daily attendance.

(f) The revenue limit inflation adjustment shall be added to the prior year revenue limit per foundation program unit of average daily attendance of the district and the sum multiplied by the estimated foundation program average daily attendance of the budget year. The product shall be the revenue limit of the district for the budget year.

(g) Any district which has a revenue limit computed pursuant to subdivision (f) which is equal to or less than the foundation program computed for the district pursuant to Article 1 (commencing with Section 41700) of Chapter 5 of this part, excluding Section 41716, Article 2 (commencing with Section 41730) of Chapter 5 of this part, and subdivision (a) of Section 41840 as adjusted pursuant to subdivision (e) of Section 14002 may increase its revenue limit computed pursuant to subdivision (f) to the lesser of the foundation program level of the district or the prior year revenue limit increased by fifteen percent (15%).

For the 1974–75 and 1975–76 fiscal years only, notwithstanding subdivision (g) if, due to changes in federal legislation or administrative policy, the entitlement under Public Law 81-874 is reduced or discontinued and is not replaced by other federal

funding, and if a district experiencing such loss has a revenue limit less than the foundation program, it shall be allowed to increase the revenue limit by an amount equal to the difference between the Public Law 81-874 income per foundation program average daily attendance of the prior year and the estimated Public Law 81-874 income per unit of foundation program average daily attendance of the budget year, if any, multiplied by the estimated foundation program average daily attendance of the budget year. Such increased revenue limit shall not exceed the foundation program of the budget year.

(h) From the amount computed pursuant to subdivision (f) or (g), there shall be subtracted the basic state aid and state equalization aid to be received for the budget year, areawide aid to be received for the budget year, and the amount of income to be received from the equalization offset tax pursuant to Section 41203.

(i) The amount determined pursuant to subdivision (h) shall be (1) adjusted as provided in subdivision (d) of Section 46605 and (2) adjusted sufficiently to allow for the mandated increases for district contributions for the State Teachers' Retirement System as required by Section 23400. Such adjustment, together with any rate levied in any prior year pursuant to Section 23401, shall not exceed the revenue derived by the tax rate provided in Section 23401. The adjusted amount shall be the local revenue limit of the district for the budget year.

(j) From the amount computed pursuant to subdivision (i), there shall be subtracted the amount of money collected or to be collected as taxes on property on the unsecured roll of the budget year, excluding the amounts collected through the levy of taxes provided in Section 4147, 8329, 15250, 15742, 16090, 16196, 16204, 16205, 16214, 16302, 39229, 39230, 39308, 39311, 42200, 42402, 49502, or 56811 of the Education Code, Section 52317 of the Education Code for the purposes prescribed in Section 52312, but no greater than five cents ($0.05) per one hundred dollars ($100) of assessed valuation, and Section 5302.5 of the Streets and Highways Code, and (2) the income from the prior year's taxes.

(k) From the amount computed pursuant to subdivision (j) there shall be subtracted the amount of money collected or to be collected as timber yield tax receipts pursuant to Part 18.5 (commencing with Section 38101) of the Revenue and Taxation Code.

(l) For the purposes of this subdivision, the assessed valuation used in computing the maximum tax rate is defined as the total actual assessed valuation, including business inventory and homeowners exemption and exclusive of the assessed valuation increment used to allocate tax receipts to a redevelopment agency pursuant to Article 6 (commencing with Section 33670) of Chapter 6 of Part 1 of Division 24 of the Health and Safety Code.

The amount determined pursuant to subdivision (j) shall be divided by the amount of actual assessed valuation of the district on the secured roll after due allowance for delinquencies, pursuant to

Section 14203. The quotient multiplied by 100 shall be the tax rate on each one hundred dollars ($100) of such assessed valuation and shall be the maximum general purpose tax rate which may be levied in the district during the 1973–74 fiscal year, exclusive of taxes provided in Section 4147, 8329, 15250, 15742, 16090, 16196, 16204, 16205, 16214, 16302, 39229, 39230, 39308, 39311, 42200, 42402, 49502, or 56811 of the Education Code, Section 52317 of the Education Code for the purposes prescribed in Section 52312 of the Education Code, but no greater than five cents ($0.05) per one hundred dollars ($100) of assessed valuation, and Section 5302.5 of the Streets and Highways Code. The revenue limit in subdivision (g) notwithstanding, in no case for districts receiving equalization aid, shall the tax rate be reduced below one dollar ($1) on the elementary level or eighty cents ($0.80) on the high school level or one dollar and eighty cents ($1.80) for a unified school district, except that when the district has levied upon it an areawide tax, such areawide tax rate levied shall be considered first as part of the minimum tax rate limit.

SEC. 175. Section 42244 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

42244. Commencing September 4, 1973, the revenue limit prescribed by Section 42238, 43000, or 43001 may be exceeded upon approval of a majority of the electors of the district voting on a proposition to that effect pursuant to Section 42202. Such approval may be granted for any period of time, and shall be added to the budget year revenue limit per foundation program unit of average daily attendance of the district as determined in subdivision (g) of Section 42238 in computing the maximum general purpose tax rate for each year in which the voted revenue limit increase is effective.

For the fiscal year following the last year in which the voted revenue limit increase is authorized, the amount of the voted revenue limit increase as it actually affected the revenue limit shall be subtracted from the revenue limit per foundation program unit of average daily attendance of the district as determined in subdivision (g) of Section 42238, 43000, or 43001. This section shall be subject to Section 42245.

Notwithstanding anything to the contrary in Section 42202, the revenue limit shall be that prescribed by state law plus the amount of increase approved by the electors, and need not be the revenue limit set forth in the ballot proposition prescribed by that section prior to July 1, 1974.

SEC. 176. Section 42245 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

42245. Whenever the computation required by Section 42233, 42238, or 43001 results, because of estimating or other errors, in a total revenue limit in an amount more or less than actual data would have produced, the revenue limit for the succeeding fiscal year shall be reduced by an amount equal to the amount of the error if the total produced was more, and may be increased by an amount up to the amount of the error if the total produced was less.

Whenever the collection and distribution of local taxes from the secured roll results in an amount more or less than the taxes required as computed by Section 42233, 42238, 43000, or 43001, the local tax requirement for the succeeding fiscal year shall be reduced by an amount equal to the amount of the difference if the total received was more, and may be increased by an amount up to the amount of the difference if the total received was less.

SEC. 177. Section 42603 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

42603. The governing board of any school district may direct that moneys held in any fund or account may be temporarily transferred from one or more of these accounts or funds to another fund of the district to be used for the payment of obligations of the district. Such a transfer can be made not more than twice within a fiscal year from the same fund or account and only when the district will receive income sufficient to repay the amount transferred. The amount transferred shall be repaid either in the same or the following fiscal year, but in any case not more than 120 calendar days after the transfer. No more than 75 percent of the maximum of moneys held in any fund or account during a current fiscal year may be transferred pursuant to the provisions of this section during that fiscal year.

SEC. 178. Section 42631 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

42631. All payments from the funds of a school district shall be made by written order of the governing board of the district. Orders shall be on forms prescribed by the county superintendent of schools. Forms may be printed and furnished by the board of supervisors or the county superintendent of schools.

SEC. 179. Section 42633 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

42633. The governing board of each school district shall be responsible for filing or causing to be filed with the county superintendent of schools the verified signature of each person, including members of the governing board, authorized to sign orders in its name. Except for districts determined to be fiscally accountable pursuant to Section 42650, no order on the funds of any school district shall be approved by the county superintendent of schools unless the signatures are on file in his office and he is satisfied that the signatures on the order are those of persons authorized to sign the order.

SEC. 180. Section 42635 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

42635. Each order drawn against the funds of a school district shall be transmitted to the county superintendent of schools, and, if approved and signed by him shall become a requisition on the county auditor. The county superintendent may prescribe alternative procedures for districts determined to be fiscally accountable pursuant to Section 42650.

SEC. 181. Section 42636 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

42636. The county superintendent of schools may examine each order on school district funds transmitted to him, in the order in which it is received in his office. If it appears that the order is properly drawn for the payment of legally authorized expenses against the proper funds of the district, and that there are sufficient moneys in the fund or funds against which the order is drawn to pay it, he shall endorse upon it "examined and approved," and shall, in attestation thereof, affix his signature and number and date the requisition and transmit it directly to the county auditor, in the order in which the order is received in his office. The county superintendent may prescribe alternative methods for districts determined to be fiscally accountable pursuant to Section 42650.

SEC. 182. Section 42639 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

42639. The county auditor may examine each order and requisition on school district funds transmitted to him by the county superintendent of schools. If he allows the order and requisition, he shall endorse thereon "examined and allowed," and shall date, number, and sign it, whereupon it shall become a warrant on the county treasurer. The auditor shall detach any bill attached to the requisition, and shall number the bill, giving it the same number which he gives the warrant, and file it in his office. He shall thereupon return the order, requisition, and warrant to the county superintendent of schools who shall transmit it to the governing board of the school district for issuance to the payee or to his order.

Any requisition of the county superintendent of schools, whether based upon written order of the governing board of a school district or authorized by law, shall constitute full authority for the signature for allowance thereof by the county auditor as a warrant on the county treasurer, and no other authority shall be necessary or required for such action by the county auditor.

"Requisition," as used in this section, includes any order or demand signed by the county superintendent of schools directing the county auditor to draw his warrant on the county treasurer.

SEC. 183. Section 42643 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

42643. The superintendent of schools of each county shall keep, open to the inspection of the public, a register of warrants, showing the fund upon which the requisitions have been drawn, the number, in whose favor, and for what purpose they were drawn.

The county superintendent shall prescribe rules for school districts he determines to be fiscally accountable, pursuant to Section 42650, that retain copies of warrants and supporting documents within the district files.

SEC. 184. Section 42831 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

42831. Amounts expended from the revolving fund are restored

thereto through payments into the revolving fund by warrants drawn on the various funds of the districts, including building funds, for shipments from stores for the use of the districts. The warrants shall be made payable to the "revolving fund of _____ (Here insert name or names of the school district or school districts establishing the fund.)"

SEC. 185. Section 44008 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

44008. (a) Except as provided in subdivision (b) of this section, a termination of probation and dismissal of an accusation or information pursuant to Section 1203.4 of the Penal Code shall not, for the purpose of this division, have any effect.

(b) Notwithstanding any other provision of this code, no person shall be denied a hearing solely on the basis that he has been convicted of a crime if he has obtained a certificate of rehabilitation under Section 4852.01 and following of the Penal Code, and if his probation has been terminated and the information or accusation has been dismissed pursuant to Section 1203.4 of the Penal Code.

SEC. 186. Section 44009 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

44009. A plea or verdict of guilty or a finding of guilt by a court in a trial without a jury is deemed to be a conviction within the meaning of Sections 44425, 44436, 44836, and 45123 of this code, irrespective of a subsequent order under the provisions of Section 1203.4 of the Penal Code allowing the withdrawal of the plea of guilty and entering a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusations or information. The record of such conviction of a sex offense as defined in Section 44010 or of a narcotics offense defined in Section 44011 shall be sufficient proof of conviction of a crime involving moral turpitude for the purposes of Sections 44892, 44907 and 44923, and Section 44932 to 44947, inclusive, of this code, relating to the dismissal of permanent employees.

SEC. 187. Section 44228 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

44228. To assist in approving teacher education programs, the commission may appoint panels of educators, including public school classroom teachers, and lay persons to serve as members of visiting teams to institutions and school districts having such programs. The provisions of Sections 44215, 44216, and 44217 shall be applicable to such panels of educators.

SEC. 188. Section 44263 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

44263. A teacher licensed pursuant to the provisions of this article may be assigned, with his or her consent, to teach any single subject class in which he or she has 18 semester hours of coursework or nine semester hours of upper division or graduate coursework or a multiple subject class if he or she holds at least 60 semester hours equally distributed among the four areas of a diversified major set forth in Section 44314. A three-semester-unit variance in any of the

required four areas may be allowed. The governing board of the school district by resolution shall provide specific authorization for such assignment. The authorization of the governing board shall remain valid for one year and may be renewed annually.

SEC. 189. Section 44274 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

44274. The commission shall issue, upon direct application by a qualified applicant, any credential specified in Section 44265 and such other specialist instruction credentials as the commission may establish, except that special education specialist credentials issued under the provisions of this section shall only be those which authorize teaching in programs for the learning handicapped or the severely handicapped, as both are defined in Section 56352, to an applicant who possesses a valid regular California teaching credential and who is, in the judgment of the commission, qualified to receive the credential. The credential issued under the terms of this section shall be a "full," "clear," or "professional" credential. Determination of qualification shall be limited to either (a) or (a) and (b):

(a) Specialized training: Twenty-four semester units, or equivalent credit, of specialized training in the field for which the credential is to be issued shall be required. Such training may include training in a related field or fields. The commission shall establish guidelines to determine what constitutes qualifying training and what are related fields. Qualifications for specialist in special education credentials authorizing teaching in programs for learning handicapped or severely handicapped pupils, as both are defined in Section 56352, shall include, but need not be limited to, training in (1) learning disabilities, (2) perceptual-motor training, and (3) language development. Such training shall have commenced on or after the beginning of the school year 1964–65 and been completed on or before September 15, 1978, with respect to applicants for special education specialist credentials authorizing programs for the learning handicapped or the severely handicapped, as both are defined in Section 56352, and on or before September 15, 1977, for all other applicants authorized herein, and shall have been undertaken in a California institution accredited by the State Board of Education, or approved by the commission. If the applicant received training, within the same time limits, in an out-of-state institution, credit for such training shall apply only if, at the time the training was taken, the institution was accredited by the appropriate regional accrediting body and accredited or approved by the certification agency of the state in which the institution is located. The commission shall allow up to six semester units credit for experience, pursuant to subdivision (b), in lieu of coursework.

(b) Experience in actual practice of the specialization in the public schools or in a private school or institution of equivalent status. Such experience shall have commenced on or after September 1, 1970. Such experience need not have been full time in the specialization,

but shall demonstrate the applicant's ability to function in the specialization, as shown by continued employment in such schools in a position or in positions which utilize the skills of the credential field or related fields.

(c) Application for credentials pursuant to this section shall be made by September 15, 1978, by applicants for special education specialist credentials authorizing programs for the learning handicapped or the severely handicapped, as both are defined in Section 56352, and by September 15, 1977, for all other applicants authorized herein.

SEC. 190. Section 44335 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

44335. The issuance of any teaching credential requires (1) the passing of a satisfactory examination on the provisions and principles of the Constitution of the United States in a community college, college, or university of recognized merit or (2) the satisfactory completion of two semester units of work on the provisions and principles of the Constitution of the United States in any university or college from which undergraduate credits earned are accepted by the commission as meeting undergraduate credit requirements for credentials issued by the commission or in any publicly supported community college in the state. Public and private institutions in California may be authorized to attest to the individual's satisfaction of this requirement.

The requirements of this section do not apply to the designated subjects teaching credential authorizing part-time employment only.

SEC. 191. Section 44346 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

44346. (a) The commission shall deny any application for the issuance of a credential or for the renewal of a credential made by any applicant who comes within any of the following classes:

(1) Has been determined to be a sexual psychopath under the provisions of Article 1 (commencing with Section 6300), Chapter 2, Part 2, Division 6 of the Welfare and Institutions Code or under similar provisions of law of any other state.

(2) Has been convicted of any sex offense as defined in Section 44010.

(3) Has been convicted of a narcotics offense as defined in Section 44011.

(b) Notwithstanding paragraphs (2) and (3) of subdivision (a), no person shall be denied a credential solely on the basis that he has been convicted of a crime specified in paragraphs (2) and (3) of subdivision (a) if he has obtained a certificate of rehabilitation under Section 4852.01 and following of the Penal Code, and if his probation has been terminated and the information or accusation has been dismissed pursuant to Section 1203.4 of the Penal Code.

SEC. 192. Section 44853 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

44853. The governing board of any school district, subject to the rules and regulations prescribed by the State Board of Education, may enter into an agreement with the proper authorities of any foreign country, or of any state, territory, or possession of the United States, or other district within the state, for the exchange and employment of regularly credentialed employees and employees of public schools of any foreign country, state, territory, or possession, or other district within this state. Any certificated person so employed as provided in this section shall be known as an "exchange certificated employee." No exchange shall be made without the consent of the employee to be exchanged.

Due consideration shall be given to the general qualifications and professional status of the exchange employee as compared to the general qualifications and professional status of the employee for whom exchanged. However, it shall not be a requirement that an exchange certificated employee be a teacher of the same subject or grade, or both, as the employee for whom exchanged. If the service authorized is other than teaching, it shall not be a requirement that the service be at the same grade level or that the service be exactly the same as the employee for whom exchanged.

No person may be employed as an exchange employee by a school district in the state unless he holds the necessary valid credential or credentials issued by the Commission for Teacher Preparation and Licensing authorizing him to serve in a position requiring certification qualifications in the school district proposing to employ him. The commission may establish minimum standards for the credentials for exchange certificated employees, provided however, that no exchange certificated employee shall be required to pay any fee or other charge for the issuance to him of any necessary valid credential or credentials authorizing him to serve in a position requiring certification qualifications in any school district in this state.

An exchange agreement may be made for a period not to exceed three years.

At the end of the assignment period, the exchange, with the consent of all parties, may be made complete and permanent.

SEC. 193. Section 44909 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

44909. The governing board of any school district may employ persons possessing an appropriate credential as certificated employees in programs and projects to perform services conducted under contract with public or private agencies, or other categorically funded projects of indeterminate duration. The terms and conditions under which such persons are employed shall be mutually agreed upon by the employee and the governing board and such agreement shall be reduced to writing. Service pursuant to this section shall not be included in computing the service required as a prerequisite to attainment of, or eligibility to, classification as a permanent employee unless (1) such person has served pursuant to this section

for at least 75 percent of the number of days the regular schools of the district by which he is employed are maintained and (2) such person is subsequently employed as a probationary employee in a position requiring certification qualifications. Such persons may be employed for periods which are less than a full school year and may be terminated at the expiration of the contract or specially funded project without regard to other requirements of this code respecting the termination of probationary or permanent employees.

This section shall not be construed to apply to any regularly credentialed employee who has been employed in the regular educational programs of the school district as a probationary employee before being subsequently assigned to any one of these programs.

SEC. 194. Section 45023.5 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

45023.5. If compensation is provided to certificated employees of any elementary, high, or unified school district for a work assignment which is not part of the contracted instructional day duties, like compensation, whether paid on an hourly or monthly basis, or on a flat rate basis or otherwise, shall be paid to all certificated employees of the district who perform like work with comparable responsibilities. Under no condition shall certificated employees who are working comparable hours and responsibilities beyond the instructional day be paid differently based on the employee's sex. Nothing in this section shall be construed as prohibiting a school district from establishing a salary schedule based on experience for persons who are employed for such work. Nothing in this section shall be construed as requiring a district to compensate certificated employees for work assignments which are not part of the contracted instructional day duties simply because other employees of the district receive compensation for work assignments which involve different types of service.

SEC. 195. Section 45057 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

45057. The salary payment due a certificated employee for his last month of service in any district during any fiscal year shall not be approved by the county superintendent of schools until all reports required from the employee have been filed with the superintendent. Such payment shall be made within 10 calendar days after the filing of all such reports if after the regular payday or the last month of service.

SEC. 196. Section 45203 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

45203. All employees a part of the classified service shall be entitled to the following paid holidays provided they are in a paid status during any portion of the working day immediately preceding or succeeding the holiday: January 1, February 12 known as "Lincoln Day," the third Monday in February known as "Washington Day," the last Monday in May known as "Memorial Day," July 4, the first

Monday in September known as "Labor Day," November 11 known as "Veterans Day," that Thursday in November proclaimed by the President as "Thanksgiving Day," December 25, every day appointed by the President, or the Governor of this state, as provided for in subdivisions (b) and (c) of Section 37220 for a public fast, thanksgiving or holiday, or any day declared a holiday under Section 1318 or 37222 for classified or certificated employees. School recesses during the Christmas and Easter periods shall not be considered holidays for classified employees who are normally required to work during that period; provided, however, that this shall not be construed as affecting vacation rights specified in Section 45203.

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

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

The provisions of Article 3 (commencing with Section 37220) of Chapter 2 of Part 22 of this division shall not be construed to in any way limit the provisions of this section, nor shall anything in this section be construed to prohibit the governing board from adopting separate work schedules for the certificated and the classified services, or from providing holiday pay for employees who have not been in paid status on the days specified herein. Notwithstanding the adoption of separate work schedules for the certificated and the classified services, on any schoolday during which pupils would otherwise have been in attendance but are not and for which certificated personnel receive regular pay, classified personnel shall also receive regular pay whether or not they are required to report for duty that day.

This section shall apply to districts that have adopted the merit system in the same manner and effect as if it were a part of Article 6 (commencing with Section 45240) of this chapter.

SEC. 197. Section 45205 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

45205. Prior to July 1 of any school year, the governing board of any school district may designate other days during such year as the holidays to which classified employees are entitled in lieu of the holidays on February 12 known as "Lincoln Day," the third Monday in February known as "Washington Day," the last Monday in May known as "Memorial Day," or November 11 known as "Veterans

Day" as specified in Section 45203, provided that such designated days will provide for at least a three-day weekend. Classified employees shall be required to work on the regular holiday for which another day is designated pursuant to this section, and for work of eight hours or less, shall be paid compensation at their regular rate of pay.

If any classified employee would be entitled to the regular paid holiday but would not be in a paid status during any portion of the working day immediately preceding or succeeding the day so designated in lieu of such holiday and therefore would not be entitled to such day in lieu of the holiday, he shall be entitled to the regular holiday; however, if he is required to work on such holiday, he shall be paid compensation at the rate of time and one-half of his regular rate of pay in addition to the regular pay received for the holiday.

This section shall not be construed to authorize the maintenance of schools on holidays other than as provided in Article 3 (commencing with Section 37220) of Chapter 2 of Part 22 of this division.

This section shall apply to districts that have adopted the merit system in the same manner and effect as if it were a part of Article 6 (commencing with Section 45240) of this chapter.

SEC. 198. Section 45207 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

45207. Any days of absence for illness or injury earned pursuant to Section 45191, may be used by the probationary or permanent employee, at his election, in cases of personal necessity, including any of the following:

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

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

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

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

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

Immediate family has the same meaning as provided in Section 45194.

This section shall apply to districts that have adopted the merit system in the same manner and effect as if it were a part of Article 6 (commencing with Section 45240) of this chapter.

This section shall also apply to school districts that may be

exempted from the provisions of Section 45191. Authorized necessity leave shall be deducted from sick leave earned under the provisions of the exemption of Section 45191.

SEC. 199. Section 45250 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

45250. The governing board may authorize payment to members of the commission an amount not to exceed twenty-five dollars ($25) per meeting and not to exceed one hundred dollars ($100) per month.

SEC. 200. Section 46010 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

46010. (a) The total days of attendance of a pupil upon the schools and classes maintained by a school district, or schools or classes maintained by the county superintendent of schools during the fiscal year shall be the number of days school was actually taught for not less than the minimum schooldays during the fiscal year less the sum of his absences.

(b) The absence of a pupil from school or class shall not be deemed an absence in computing the attendance of a pupil if such absence was:

(1) Due to his illness, or

(2) Due to quarantine under the direction of a county or city health officer, or

(3) For the purpose of having medical, dental, optometrical, or chiropractic services rendered, or

(4) For the purpose of attending the funeral services of a member of his immediate family, so long as such absence is not more than one day if the service is conducted in California and not more than three days if the service is conducted outside California, or

(5) For the purpose of jury duty in the manner provided for by law.

"Immediate family," as used in this subdivision, has the same meaning as that set forth in the last sentence of Section 45194 except that references therein to "employee" shall be deemed to be references to "pupil."

The provisions of this subdivision shall not apply in the case of pupils attending summer school, adult schools, and classes, or regional occupational centers and programs other than pupils concurrently enrolled in a regular high school program and a regional occupational center or program.

SEC. 201. Section 46111 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

46111. No pupil in a kindergarten shall be kept in school in any day more than four hours exclusive of recesses.

This section shall not apply to counties of the third class as determined pursuant to Section 28024 of the Government Code as it reads on January 1, 1977.

SEC. 202. Section 46300 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

46300. (a) In computing the average daily attendance of a school district, there shall be included only the attendance of pupils while engaged in educational activities required of such pupils and under the immediate supervision and control of an employee of the district who possessed a valid certification document, registered as required by law, authorizing him to render service in the capacity and during the period in which he served. For the purposes of computing the average daily attendance of students enrolled in kindergarten or any of grades 1 through 12 in a school district, attendance shall also include pupil attendance and participation in an independent study program under the coordination, evaluation, and general, but not immediate, supervision of an employee of the district who possessed a valid certification document. The nature, manner, and place of conducting any independent study program shall be determined by the school district pursuant to rules and regulations adopted by the State Board of Education and shall be an integral part of any decision pursuant to Section 48907.5 to suspend the expulsion action of the board. The school district shall ensure that the components of each individual study program for each individual pupil shall be set out in writing. A pupil enrolled in an independent study program shall not be credited with more than one day of attendance in any calendar day, and shall be enrolled in a school program for which Section 46112, 46113, or 46141 provides for the minimum schoolday.

(b) For the purpose of work experience education programs in the secondary schools meeting the standards of the California State Plan for Vocational Education, "immediate supervision" of off-campus work training stations means pupil participation in on-the-job training as outlined under a training agreement, coordinated by the school district under a state-approved plan, wherein the employer and certificated school personnel share the responsibility for on-the-job supervision. The pupil-teacher ratio in any such work experience program shall not exceed 125 students per full-time equivalent certificated coordinator. A pupil enrolled in such work experience program shall not be credited with more than one day of attendance in any calendar day, and shall be a full-time student enrolled in regular classes meeting the requirements set forth in Section 46141 or 46144.

(c) For the purposes of the rehabilitative schools, classes, or programs described in Section 48907.5, "immediate supervision" in such schools, classes or programs means pupil participation in such programs wherein the person to whom the pupil is required to report for training, counseling, tutoring, or other prescribed activity shares the responsibility for the supervision of the pupils in the rehabilitative activities with certificated personnel of the district. Such programs shall be approved by the Department of Education and certified by the county superintendent of schools.

A pupil enrolled in a rehabilitative school, class, or program shall not be credited with more than one day of attendance in any calendar day.

SEC. 203. Section 48011 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

48011. A child who has been lawfully admitted to the kindergarten, as defined by the State of California, maintained by a private or a public school in California or any other state, and who has completed one year therein shall be admitted to the first grade of an elementary school regardless of age, unless the parent or guardian of the child and the school district agree that the child may be retained in kindergarten for not more than an additional school year.

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

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

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

SEC. 204. Section 48200 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

48200. Each person between the ages of 6 and 16 years not exempted under the provisions of this chapter is subject to compulsory full-time education. Each person subject to compulsory full-time education and each person subject to compulsory continuation education not exempted under the provisions of Chapter 3 (commencing with Section 48400) of this part shall attend the public full-time day school or continuation school or classes for the full time designated as the length of the schoolday by the governing board of the school district in which the residency of either the parent or legal guardian is located and each parent, guardian, or other person having control or charge of such pupil shall send the pupil to the public full-time day school or continuation school or classes for the full time designated as the length of the schoolday by the governing board of the school district in which the residence of either the parent or legal guardian is located. Residency, for the purpose of attendance in the public schools, shall be determined by Section 17.1 of the Welfare and Institutions Code.

Unless otherwise provided for in this code, a pupil shall not be enrolled for less than the minimum schoolday established by law.

SEC. 205. Section 48265 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

48265. Any person arresting or assuming temporary custody of a minor pursuant to Section 48264 shall forthwith deliver the minor

either to the parent, guardian, or other person having control, or charge of the minor, or to the school from which the minor is absent, or to a nonsecure youth service or community center designated by the school or district for counseling prior to returning such minor to his home or school, or to a school counselor or pupil services and attendance officer located at a police station for the purpose of obtaining immediate counseling from the counselor or officer prior to returning or being returned to his home or school, or, if the minor is found to have been declared an habitual truant, he shall cause the minor to be brought before the probation officer of the county having jurisdiction over minors.

SEC. 206. Section 48412 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

48412. (a) Any person 16 years of age or older, or who has been enrolled in the 10th grade for one academic year or longer, or who will complete one academic year of enrollment in the 10th grade at the end of the semester during which the next regular examination will be conducted, shall be permitted to have his proficiency in basic skills taught in public high schools verified according to criteria established by the Department of Education.

The State Board of Education shall award a "certificate of proficiency" to persons who demonstrate such proficiency. The certificate of proficiency shall be equivalent to a high school diploma, and the Department of Education shall keep a permanent record of the issuance of all such certificates.

(b) The Department of Education shall develop standards of competency in basic skills taught in public high schools and shall provide for the administration of examinations prepared by or with the approval of the department to verify such competency. Regular examinations shall be held once in the fall semester and once in the spring of every academic year on a date, as determined by the Department of Education, which will enable notification of examinees and the schools they attend, if any, of the results thereof not later than two weeks prior to the date on which that semester ends in a majority of school districts which maintain high schools.

In addition to regular examinations, the Department of Education may, at the discretion of the Director of Education, conduct examinations for all eligible persons once during each summer recess and may conduct examinations at such other times as the director deems necessary to accommodate eligible persons whose religious convictions or physical handicaps prevent their attending one of the regular examinations.

(c) The Department of Education may charge a fee for each examination application in an amount sufficient to recover the costs of administering the requirements of this section; provided, however, that such fee shall not exceed ten dollars ($10) per examination application. All fees levied and collected pursuant to this section shall be deposited in the State Treasury for remittance to the current support appropriation of the Department of

Education as reimbursement for costs of administering this section. Any reimbursements collected in excess of actual costs of administration of this section shall be transferred to the unappropriated surplus of the General Fund by order of the Director of Finance.

(d) The State Board of Education shall adopt such rules and regulations as are necessary for implementation of the provisions of this section.

SEC. 207. Section 48414 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

48414. Any person 16 or 17 years of age exempt from compulsory continuation attendance laws by subdivision (e) of Section 48410 who has terminated his enrollment on the basis of such exemption shall be permitted by the governing board of the school district in which he resides to reenroll in the district, without prejudice, as if he had never taken advantage of subdivision (e) of Section 48410. If such person subsequently again terminates enrollment on the basis of such exemption, the district may deny him reenrollment until the beginning of the next semester in the district's academic year.

SEC. 208. Section 48938 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

48938. In schools or classes for adults, regional occupational centers or programs, or in elementary schools in which the student body is not organized, the governing board may appoint an employee or official to act as trustee for student body funds and to receive said funds in accordance with procedures established by the board. These funds shall be deposited in a bank or a savings and loan association, or both, approved by the board and shall be expended subject to the approval of said appointed employee or official and also subject to such procedure as may be established by the board.

SEC. 209. Section 48980 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

48980. At the beginning of the first semester or quarter of the regular school term the governing board of each school district shall notify the parent or guardian of its minor pupils regarding the right of the parent or guardian under Sections 46014, 49403, 49423, 49451, 49472, 51240, 51550, and 56031.

SEC. 210. Section 49061 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

49061. As used in this chapter:

(a) "Parent" means a natural parent, an adopted parent, or legal guardian. If parents are divorced or legally separated, only the parent having legal custody of the pupil may challenge the content of a record pursuant to Section 49070, offer a written response to a record pursuant to Section 49072, or consent to release records to others pursuant to Section 49075, provided, however, that either parent may grant consent if both parents have notified, in writing, the school or school district that such an agreement has been made. Whenever a pupil has attained the age of 18 years or is attending an

institution of postsecondary education, the permission or consent required of, and the rights accorded to, the parents or guardian of the pupil shall thereafter only be required of, and accorded to, the pupil.

(b) "Pupil record" means any item of information directly related to an identifiable pupil, other than directory information, which is maintained by a school district or required to be maintained by an employee in the performance of his duties whether recorded by handwriting, print, tapes, film, microfilm or other means.

"Pupil record" shall not include informal notes related to a pupil compiled by a school officer or employee which remain in the sole possession of the maker and are not accessible or revealed to any other person except a substitute. For purposes of this subdivision, "substitute" means a person who performs the duties of the individual who made the notes on a temporary basis, and does not refer to a person who permanently succeeds the maker of the notes in his or her position.

(c) "Directory information" means one or more of the following items: student's name, address, telephone number, date and place of birth, major field of study, participation in officially recognized activities and sports, weight and height of members of athletic teams, dates of attendance, degrees and awards received, and the most recent previous public or private school attended by the student.

(d) "School district" means any school district maintaining any of grades kindergarten through 12, any public school providing instruction in any of grades kindergarten through 12, the office of the county superintendent of schools, or any special school operated by the Department of Education.

(e) "Access" means a personal inspection and review of a record or an accurate copy of a record, an oral description or communication of a record or an accurate copy of a record, and a request to release a copy of any record.

SEC. 211. Section 49063 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

49063. School districts shall notify parents in writing of their rights under this chapter upon the date of the pupil's initial enrollment, and thereafter at the same time as notice is issued pursuant to Section 49079. The notice shall be, insofar as is practicable, in the home language of the pupil. The notice shall take a form which reasonably notifies parents of the availability of the following specific information:

(a) The types of pupil records and information contained therein which are directly related to students and maintained by the institution.

(b) The position of the official responsible for the maintenance of each type of record.

(c) The location of the log or record required to be maintained pursuant to Section 49064.

(d) The criteria to be used by the district in defining "school

officials and employees" and in determining "legitimate educational interest" as used in Section 49064 and paragraph (1) of subdivision (a) of Section 49076.

(e) The policies of the institution for reviewing and expunging those records.

(f) The right of the parent to access to pupil records.

(g) The procedures for challenging the content of pupil records.

(h) The cost if any which will be charged to the parent for reproducing copies of records.

(i) The categories of information which the institution has designated as directory information pursuant to Section 49073.

(j) Any other rights and requirements set forth in this chapter, and the right of the parent to file a complaint with the United States Department of Health, Education, and Welfare concerning an alleged failure by the district to comply with the provisions of Section 438 of the General Education Provisions Act (20 U.S.C.A. Sec. 1232g).

SEC. 212. Section 49065 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

49065. Any school district may make a reasonable charge in an amount not to exceed the actual cost of furnishing copies of any pupil record; provided, however, that no charge shall be made for furnishing (1) up to two transcripts of former pupils' records or (2) up to two verifications of various records of former pupils. No charge may be made to search for or to retrieve any pupil record.

SEC. 213. Section 49068 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

49068. Whenever a pupil transfers from one school district to another or to a private school, or transfers from a private school to a school district within the state, the pupil's permanent record or a copy thereof shall be transferred by the former district or private school upon a request from the district or private school where the pupil intends to enroll. Any school district requesting such a transfer of a record shall notify the parent of his right to receive a copy of the record and a right to a hearing to challenge the content of the record. The State Board of Education is hereby authorized to adopt rules and regulations concerning the transfer of records.

SEC. 214. Section 49069 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

49069. Parents of currently enrolled or former pupils have an absolute right to access to any and all pupil records related to their children which are maintained by school districts or private schools. The editing or withholding of any such records, except as provided for in this chapter, is prohibited.

Each school district shall adopt procedures for the granting of requests by parents to inspect and review records during regular school hours, provided that access shall be granted no later than five days following the date of the request. Procedures shall include the notification to the parent of the location of all official pupil records if not centrally located and the providing of qualified certificated

personnel to interpret records where appropriate.

SEC. 215. Section 49070 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

49070. Following an inspection and review of a pupil's records, the parent of a pupil or former pupil of a school district may challenge the content of any pupil record.

(a) The parent of a pupil may file a written request with the superintendent of the district to correct or remove any information recorded in the written records concerning his child which he alleges to be: (1) inaccurate, (2) an unsubstantiated personal conclusion or inference, (3) a conclusion or inference outside of the observer's area of competence, or (4) not based on the personal observation of a named person with the time and place of the observation noted.

(b) Within 30 days of receipt of such request, the superintendent or his designee shall meet with the parent and the certificated employee who recorded the information in question, if any, and if such employee is presently employed by the school district. The superintendent shall then sustain or deny the allegations.

If the superintendent sustains any or all of the allegations, he shall order the correction or the removal and destruction of the information.

If the superintendent denies any or all of the allegations and refuses to order the correction or the removal of the information, the parent may, within 30 days of the refusal, appeal the decision in writing to the governing board of the school district.

(c) Within 30 days of receipt of such an appeal, the governing board shall, in closed session with the parent and the certificated employee who recorded the information in question, if any, and if such employee is presently employed by the school district, determine whether or not to sustain or deny the allegations.

If the governing board sustains any or all of the allegations, it shall order the superintendent to immediately correct or remove and destroy the information from the written records of the pupil.

The decision of the governing board shall be final.

Records of these administrative proceedings shall be maintained in a confidential manner and shall be destroyed one year after the decision of the governing board, unless the parent initiates legal proceedings relative to the disputed information within the prescribed period.

(d) If the final decision of the governing board is unfavorable to the parent, or if the parent accepts an unfavorable decision by the district superintendent, the parent shall have the right to submit a written statement of his objections to the information. This statement shall become a part of the pupil's school record until such time as the information objected to is corrected or removed.

SEC. 216. Section 49075 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

49075. A school district may permit access to pupil records to any

person for whom a parent of the pupil has executed written consent specifying the records to be released and identifying the party or class of parties to whom the records may be released. The recipient must be notified that the transmission of the information to others without the written consent of the parent is prohibited. The consent notice shall be permanently kept with the record file.

SEC. 217. Section 49076 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

49076. A school district is not authorized to permit access to pupil records to any person without written parental consent or under judicial order except that:

(a) Access to those particular records relevant to the legitimate educational interests of the requester shall be permitted to the following:

(1) School officials and employees of the district and members of a school attendance review board appointed pursuant to Section 48321, provided that any such person has a legitimate educational interest to inspect a record.

(2) Officials and employees of other public schools or school systems, including local, county, or state correctional facilities where educational programs leading to high school graduation are provided, where the pupil intends to or is directed to enroll, subject to the rights of parents as provided in Section 49068.

(3) Authorized representatives of the Comptroller General of the United States, the Secretary of Health, Education, and Welfare, an administrative head of an education agency, state education officials, or their respective designees, or the United States Office of Civil Rights, where such information is necessary to audit or evaluate a state or federally supported education program or pursuant to a federal or state law, provided that except when collection of personally identifiable information is specifically authorized by federal law, any data collected by such officials shall be protected in a manner which will not permit the personal identification of students or their parents by other than those officials, and such personally identifiable data shall be destroyed when no longer needed for such audit, evaluation, and enforcement of federal legal requirements.

(4) Other state and local officials to the extent that information is specifically required to be reported pursuant to state law adopted prior to November 19, 1974.

(5) Parents of a pupil 18 years of age or older who is a dependent as defined in Section 152 of the Internal Revenue Code of 1954.

(6) A pupil 16 years of age or older or having completed the 10th grade who requests such access.

(b) School districts may release information from pupil records to the following:

(1) Appropriate persons in connection with an emergency if the knowledge of such information is necessary to protect the health or safety of a student or other persons.

(2) Agencies or organizations in connection with a student's application for, or receipt of, financial aid; provided, that information permitting the personal identification of students or their parents may be disclosed only as may be necessary for such purposes as to determine the eligibility of the pupil for financial aid, to determine the amount of the financial aid, to determine the conditions which will be imposed regarding the financial aid, or to enforce the terms or conditions of the financial aid.

(3) Accrediting organizations in order to carry out their accrediting functions.

(4) Organizations conducting studies for, or on behalf of, educational agencies or institutions for the purpose of developing, validating, or administering predictive tests, administering student aid programs, and improving instruction, if such studies are conducted in such a manner as will not permit the personal identification of students or their parents by persons other than representatives of such organizations and such information will be destroyed when no longer needed for the purpose for which it is conducted.

(5) Officials and employees of private schools or school systems where the pupil is enrolled or intends to enroll, subject to the rights of parents as provided in Section 49068. Such information shall be in addition to the pupil's permanent record transferred pursuant to Section 49068.

No person, persons, agency, or organization permitted access to pupil records pursuant to this section shall permit access to any information obtained from such records by any other person, persons, agency, or organization without the written consent of the pupil's parent; provided, however, that this paragraph shall not be construed as to require prior parental consent when information obtained pursuant to this section is shared with other persons within the educational institution, agency or organization obtaining access, so long as such persons have a legitimate interest in the information.

SEC. 218. Section 49077 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

49077. Information concerning a student shall be furnished in compliance with a court order. The school district shall make a reasonable effort to notify the parent and the pupil in advance of such compliance if lawfully possible within the requirements of the judicial order.

SEC. 219. Section 51226 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

51226. (a) The State Board of Education shall, by April 1, 1977, prepare, and distribute to each school district maintaining a junior high school or high school for its consideration, examples of minimum academic standards for graduation including performance indicators. The Department of Education shall include in this distribution the criteria utilized in developing standards of competency in basic skills pursuant to subdivision (b) of Section

48412 and representative examples of items used to test the attainment of such standards. These examples shall be provided solely to assist each school district in the development of its own minimum academic standards for graduation and standards of proficiency in basic skills as required by Section 51225.5.

(b) The State Board of Education shall, by February 1, 1978, prepare and distribute to each school district maintaining a junior high school or high school for its consideration, a framework for assessing pupil proficiency in reading comprehension, writing and computation skills. Such framework shall include a range of assessment items in each skill area, in order to enable a school district to select items consistent with standards of proficiency in basic skills adopted by the district governing board pursuant to Section 51225.5. The assessment framework shall be provided solely to assist each school district in the development of its own pupil assessments as required pursuant to Section 51225.5.

(c) Nothing in this section shall be construed to authorize or require the State Board of Education to adopt statewide minimum academic standards for graduation from high school.

SEC. 220. Section 51767 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

51767. The governing board of any school district which maintains one or more high schools may provide for the establishment and supervision of work experience education programs in areas outside the district.

SEC. 221. Section 51872 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

51872. (a) Under rules and regulations adopted pursuant to Section 51874, the Superintendent of Public Instruction shall administer a high-quality instructional television service for the public school pupils of California, such service to include but not be limited to:

(1) Providing for an equitable high-quality instructional television service to be made available to the largest feasible number of public school pupils utilizing the most appropriate delivery systems;

(2) Providing for contracts with local educational authorities acting on behalf of regional organizations, or directly with regional organizations if they are eligible to enter into such contracts, for assistance in carrying out the following activities:

(A) Developing and implementing an instructional television service in each region, the content and scheduling of which shall be determined by the local school districts which have elected to participate in the instructional television service provided by a regional organization.

(B) Developing and implementing teacher training and parent involvement programs to maximize the school and home use of instructional television;

(3) Providing for the production of the highest quality instructional television programs possible within the limits of available resources, for distribution by all of the regional

organizations on a statewide basis, the content of which will be in the areas of highest priorities of statewide need as determined by the local school districts and the regional organizations in which they participate and with the advice of the State Instructional Television Advisory Committee;

(4) Providing technical assistance to the regional organizations to assist them in the production of the highest quality programming possible within the limitation of available resources, using local district funds. Subject areas for such production shall be determined by the local school districts and the regional organizations and it is expected that such programming will be needed to meet unique regional educational needs;

(5) Providing for the acquisition of programs for the instructional television service on behalf of the regional organizations; and

(6) Providing for statewide coordination among regional organizations, offices of county superintendents of schools, school districts, and other agencies concerned with instructional television services for the purpose of eliminating unnecessary duplication of effort and facilitating the development and economical provision of high-quality programming and utilization in the areas of highest priorities of need as defined by local school districts, regional organizations, the State Instructional Television Advisory Committee, and the Superintendent of Public Instruction.

SEC. 222. Section 52002 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

52002. The Legislature hereby finds and declares that a comprehensive program of early childhood education is needed to restructure public education in California. The Legislature, therefore, declares its intent to require that the State Board of Education develop a comprehensive program for children ages 3 years and 9 months to the completion of grade 3, or its equivalent. The objectives of this plan will include assurance that each child will have an individualized program to permit the development of his maximum potential and that all pupils who have completed the third grade of the state's educational system will have achieved a level of competence in the basic skills of reading, language, and mathematics, and in intrapersonal (self-understanding, self-awareness, and self-esteem) and interpersonal (understanding, being aware of, and esteeming others) relationships, sufficient to continued success in their educational experiences. The system will be based on the development of local school-by-school master plans for early childhood education developed and submitted by local school districts which shall include a phase-in program based on an increase in the number of schools in the state participating each year until maximum participation is achieved.

SEC. 223. Section 52012 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

52012. The Department of Education shall compute an index of student attainment for each participating school, using factors which

have been shown to be predictive of school success. The obtained score for each school shall be weighted by the degree this score meets or exceeds the predicted school achievement level. Obtained scores falling below the predicted level of attainment shall be treated as a zero score. The Department of Education shall inform each participating district of the relative performance of their participating schools. Such data shall be analyzed regularly and included in the evaluation report required by subdivision (c) of Section 33403.

SEC. 224. Section 52015 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

52015. In computing allowances authorized pursuant to Section 52013 the Superintendent of Public Instruction shall reduce each district's total of allowances by the amount apportioned pursuant to Article 4 (commencing with Section 54160) of Chapter 2 of Part 29 of this division.

SEC. 225. Section 52113 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

52113. The Department of Education shall administer the provisions of this chapter. The responsibilities of the Department of Education in administering this chapter shall include, but are not limited to, the following:

(a) To review proposals from school districts made in accordance with this chapter, and to recommend acceptable projects for approval by the board;

(b) To encourage experimentation and innovation in the field of bilingual education at the school, district and state levels;

(c) To foster the maximum practicable involvement of parents of children enrolled in bilingual classes;

(d) To make recommendations to districts in the areas of in-service training for teachers and teacher aides, curriculum, testing and testing mechanisms, and the development of materials for bilingual education classes;

(e) To develop and recommend to the Commission for Teacher Preparation and Licensing standards for the certification of teaching personnel for bilingual classes;

(f) To develop an annual evaluation of bilingual programs within the state for submission to the Legislature and to the Governor. The evaluation submitted to the Legislature shall contain information concerning: (1) the total number of students at each grade level participating in the program funded under the chapter, and (2) program effectiveness in achieving the objectives of this chapter, including a reliable assessment of student progress in language development.

SEC. 226. Section 52309 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

52309. The curriculum provided by a regional occupational center or regional occupational program shall be subject to the approval of the department and shall comply with all requirements and

standards set forth in the State Plan for Vocational Education. The department shall approve regional occupational centers only after giving due consideration to vocational education opportunities offered by community colleges serving the same geographical area. The State Board of Education shall adopt rules and regulations establishing guidelines and criteria for differentiating between courses appropriate for regional occupational centers or regional occupational programs and those appropriate for high schools.

The Superintendent of Public Instruction shall prepare and distribute by April 1, 1977, and thereafter maintain, a detailed handbook for use by the local educational agencies and regional councils established pursuant to Section 8020. The handbook shall contain course approval criteria, implementation plans for administrative regulations, and procedures for securing course and program approvals.

SEC. 227. Section 52315 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

52315. Any visually handicapped, orthopedically handicapped, or deaf person who is not enrolled in a regular high school or community college program may attend a regional occupational center or regional occupational program on the same basis as a high school pupil. Additional special instruction and support services shall be provided to such persons.

If the Superintendent of Public Instruction determines that there would be a duplication of effort to such handicapped persons if a regional occupational center or regional occupational program provided services to such persons, in that other programs exist that are available to such persons, the superintendent may disapprove of the curriculum to provide programs to such persons pursuant to Section 52309 and of any state funding made available pursuant to Section 41897 for such purposes.

SEC. 228. Section 52317 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

52317. (a) The county superintendent of schools, with the approval of the county board of education, and the governing board of each school district, or joint powers governing board, which maintains a regional occupational center or regional occupational program pursuant to this chapter, shall certify to the county auditor and to the county board of supervisors, on or before August 10 of each year, the amount of money required to be raised by a tax for the education of pupils attending the regional occupational center, or regional occupational program, maintained by the county superintendent of schools or by a school district, as the case may be, and for the purposes set forth in Section 52312.

(b) The amount shall be determined by subtracting from the total revenue limit determined pursuant to paragraph (3) of this subdivision in the regional occupational center, or regional occupational program, including transportation, to the county superintendent of schools or school district, as the case may be, the

amount received pursuant to Section 52321. At the time of levying county taxes, the board of supervisors shall levy a county tax for each regional occupational center, or regional occupational program, maintained in the county by the county superintendent of schools pursuant to this chapter sufficient to produce the amount required by this section, upon the following taxable property within school districts under the jurisdiction of the county superintendent maintaining the regional occupational center or regional occupational center program:

(1) In a county in which the governing board of a school district is not maintaining a regional occupational center or regional occupational program pursuant to this chapter, upon all the taxable property within school districts under the jurisdiction of the county superintendent maintaining the regional occupational center or regional occupational center program.

(2) In a county in which the governing boards of one or more school districts are maintaining a regional occupational center or regional occupational program pursuant to this chapter, upon the taxable property within that portion of the territory within school districts under the jurisdiction of the county superintendent maintaining the regional occupational center or regional occupational program which is not included in territory of such school districts.

(3) For the 1976–77 fiscal year, the revenue limit per average daily attendance for county regional occupational centers and regional occupational programs, as the case may be, shall be the expenditure per average daily attendance in either the 1974–75 or the 1975–76 fiscal year adjusted by the same percentage increase that is allowed to the regular high school foundation program for the 1976–77 fiscal year. In subsequent years, the county revenue limit shall be adjusted by the percentage increase in the regular high school foundation program; provided, however, that the revenue limit per average daily attendance for each county-operated regional occupational program or center for the 1977–78 and subsequent fiscal years may be increased by a percentage of no more than the weighted average revenue limit per average daily attendance percentage increase of the participating school districts in that county.

(c) The amount received from this tax shall be deposited in the county school service fund, or, if the regional occupational center, or regional occupational program, for which such tax was levied is maintained by a school district, in the county treasury to the credit of the general fund of that school district.

(d) The maximum rate of the countywide tax levied for the purposes of this section, except for the purposes set forth in Section 52312, shall not exceed ten cents ($0.10) on each one hundred dollars ($100) of assessed valuation within the county and the maximum rate of the district tax levied under this section for the purposes set forth in Section 52312 shall not exceed five cents ($0.05) on each one hundred dollars ($100) of assessed valuation in the district.

(e) As used in this section, school district includes each of those school districts which are cooperating in the maintenance of a regional occupational center, or regional occupational program, with the approval of the county superintendent of schools pursuant to Section 52301.

SEC. 229. Section 52321 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

52321. A regional occupational center or program established and maintained by a county superintendent of schools or pursuant to a joint powers agreement pursuant to the provisions of Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code shall receive in annual operating funds from each of the participating school districts an amount per unit of average daily attendance equal to the revenue limit received by such districts for each unit of average daily attendance generated in the regional occupational center or program.

Any regional occupational center or program is authorized to (a) budget and accumulate an amount necessary to meet the cash flow needs of the regional occupational center or program known as a general reserve, not to exceed 10 percent of the previous year's expenditures for the operation of the regional occupational center or program and (b) budget and accumulate an amount known as an appropriation for contingencies. The appropriation for contingencies is intended to provide for unforeseen requirements and shall be available for appropriation only after approval by a two-thirds vote of the governing body, and limited to 5 percent of the previous fiscal year's expenditures for the operation of the regional occupational center or program.

General reserves or appropriation for contingencies exceeding the 10-percent or 5-percent limits, respectively, shall be deemed to be excessive regardless of the year accumulated. Accumulated general reserves in excess of the 10-percent limit or appropriation for contingencies in excess of the 5-percent limit shall be returned to the districts participating in the regional occupational center or program in proportion to the district's contribution to the regional occupational center or program during the previous year. The county superintendent of schools shall subtract from the amount of money necessary to be raised by the district's general purpose taxes, the amount of regional occupational center or program excess general reserve or appropriation for contingencies returned to the district.

Reserves raised from the regional occupational center or program capital outlay special permissive override taxes authorized by Sections 52312 and 52317 are exempt from these percentage limits.

SEC. 230. Section 52324 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

52324. Units of average daily attendance in the regional occupational centers or regional occupational programs of a county for a fiscal year are the quotient arising from dividing the total

number of days of pupil's attendance in such centers, or programs, during the fiscal year by 175 and the average daily attendance so computed shall be credited to the district of residence or if the center, or program, is maintained by a school district, to the district maintaining the center or program.

Attendance in regional occupational centers, or regional occupational programs, operated under subdivision (a) of Section 52305 shall be considered pupil's attendance under this section, but attendance in regional occupational centers, or regional occupational programs, under subdivision (b) of Section 52305 shall not be so considered.

As used in this section, "school district" includes each of those districts which are cooperating in the maintenance of the center or program, with the approval of the county superintendent of schools, pursuant to Section 52301; and units of average daily attendance of pupils residing in such school district shall be credited to the school district.

SEC. 231. Section 52372 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

52372. The governing board of any high school district, subject to the provisions of this code relating to courses of study for high schools, the governing board of any joint powers regional occupational center or program, or the county superintendent of schools which conducts any county-operated regional occupational center or program, may establish and maintain, in connection with any high school or regional occupational center or program under its or his jurisdiction, cooperative vocational education programs in accordance with standards prescribed by the State Board of Education.

SEC. 232. Section 52500 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

52500. Adult schools and evening high schools shall consist of classes for adults. Minors may be admitted to such classes pursuant to Section 48040.

SEC. 233. Section 52506 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

52506. The Department of Education shall establish standards including standards of attendance, curriculum, administration, and guidance and counseling service for such classes as a basis for the several apportionments of state funds provided herein for the support of such classes. The Superintendent of Public Instruction shall prepare and distribute by April 1, 1977, and thereafter maintain, a detailed handbook for use by the local educational agencies and regional councils established pursuant to Section 8020. The handbook shall contain course approval criteria, implementation plans for administrative regulations, and procedures for securing course and program approvals.

SEC. 234. Section 52517 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

52517. No high school or unified school district shall report for state apportionments average daily attendance in classes: (1) if the district receives full compensation for such class from any public or private agency, individual or group of individuals, except fees authorized by Section 52612; or (2) if such classes are not located in facilities clearly identified in such a manner, and established by appropriate procedures, to insure that attendance in such classes is open to the general public, except those authorized pursuant to Section 52570 and those in state hospitals. The State Board of Education may adopt such regulations as may be necessary to enforce this section.

SEC. 235. Section 52570 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

52570. The governing board of any school district maintaining secondary schools or the county superintendent of schools, shall have the power, with the approval of the Department of Education, to establish special classes for adults designed to serve the educational needs of handicapped adults. Such classes shall be directed to providing instruction in civic, vocational, literary, homemaking, technical, and general education and shall conform to standards of attendance, curriculum, and administration established by the Department of Education.

Attendance of handicapped adults in such classes established by the county superintendent of schools shall be included for purposes of apportionments to the county school service fund.

SEC. 236. Section 52612 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

52612. Except as specified in this section, an adult enrolled in a class for adults may be required by the governing board of the district maintaining the class to pay a fee for such class. No charge of any kind shall be made for a class in English and citizenship for foreigners or a class in an elementary subject. No fee charge shall be made for a class designated by the governing board as a class for which high school credit is granted when such class is taken by a person who does not hold a high school diploma. The total of the fees required and revenues derived from average daily attendance shall not exceed the estimated cost of all such classes maintained.

SEC. 237. Section 54002 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

54002. Maximum apportionments allowable to school districts shall be determined by the following factors:

(a) An index of "potential impact of bilingual-bicultural pupils" determined by dividing the percent of pupils in the district with Spanish and Oriental surnames, and Indian pupils, as determined by the annual ethnic survey conducted by the Department of Education, by the statewide average percentage of such pupils for unified, elementary, or secondary districts, as appropriate.

(b) A ratio of the district's "index of family poverty," defined as the district's Elementary and Secondary Education Act, Title 1 entitlement, divided by its average daily attendance in grades 1

through 12, or any thereof maintained, divided in turn by the state average index of family poverty for unified, elementary, or secondary districts, as appropriate.

(c) A ratio of the district's "index of pupil transiency," as computed from the relationship between the district's average daily attendance and its total annual enrollment, divided by the state average index of pupil transiency for unified, elementary, or secondary districts, as appropriate.

The district's total maximum apportionment under this chapter shall be determined by computing the product of (1) one-third the sum of the above three factors, except that if the resulting figure is higher than 2, the resulting figure shall be deemed to be 2, and if the resulting figure is lower than 0.9 no entitlement shall be computed for such a district, unless the district had an average daily attendance in excess of 60,000 for the 1972–73 school year and has more than 8,000 pupils receiving aid for dependent children, in which case the resulting figure shall be deemed to be 0.9; (2) the number of pupils receiving aid for dependent children support; and (3) a constant amount of three hundred dollars ($300), or such amount as the Superintendent of Public Instruction may determine so that the sum of all allocations will not exceed the funds appropriated by the Legislature for the purposes of this chapter.

No allocation shall be made to a school district whose index computed pursuant to item (1) is less than 0.9, whose average daily attendance for the 1972–73 school year was more than 60,000, and which had more than 8,000 pupils receiving aid for dependent children, unless sufficient funds have been appropriated so that the Superintendent of Public Instruction is not required, because of insufficient funds, to reduce the allocation to other districts which receive such funds below the allocation for the 1973–74 fiscal year.

SEC. 238. Section 237 of this act shall become operative on July 1, 1977.

SEC. 239. Section 54006 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

54006. The Superintendent of Public Instruction shall submit annually to the Governor and to each house of the Legislature a report evaluating the programs established pursuant to this chapter, together with his recommendations concerning whether the same should be continued in operation.

The evaluation submitted to the Legislature pursuant to this section shall contain information concerning: (a) the total number of students at each grade level participating in the programs funded under this chapter, and (b) the effectiveness of the programs funded under this chapter based to the maximum extent possible on objective measurements.

SEC. 240. Section 54123 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

54123. Certificated school district employees nominated pursuant to Section 54120, who are determined by the department to have

passed the examination prescribed by Section 54122, shall forthwith be granted certificates entitling them to accept employment as specialist teachers in reading and may provide reading instruction in kindergarten or any of grades 1 through 3, or grades 4 through 6 if a school district provides such instruction in grades 4 through 6 pursuant to Section 52022.5.

SEC. 241. Section 54125 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

54125. Certificated school district employees nominated pursuant to Section 54124, shall forthwith be granted certificates entitling them to accept employment as specialist teachers in reading and may provide reading instruction in kindergarten or any of grades 1 through 3, or grades 4 through 6 if a school district provides such instruction in grades 4 through 6 pursuant to Section 52022.5.

SEC. 242. Section 54665 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

54665. The State Board of Education shall adopt any necessary rules and regulations necessary to implement the provisions of this article.

The State Board of Education may grant waivers for any provision of the Education Code as may be necessary for the development of an effective dropout prevention program.

SEC. 243. Section 54666 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

54666. School districts which have dropout prevention programs shall report to the State Board of Education the effectiveness of programs in reducing the number of school dropouts.

SEC. 244. Section 54669 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

54669. The Department of Education shall administer the provisions of this article.

SEC. 245. Section 56336 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

56336. In addition to the requirements set forth in Sections 56330 and 56332, each plan shall also include at least the following levels of identification, assessment, and instructional planning:

(a) A school appraisal team. This team shall consist of the school administrator, resource specialist, designated instruction teachers, appropriate program specialists, and, to the extent possible without incurring costs that would exceed existing financial resources for the school appraisal team, the school psychologist and the school nurse. The team shall also utilize the services of the physician, social worker, counselors, and other pupil personnel workers as needed. The school appraisal team shall provide for a semiannual review of the progress of each pupil consistent with the standards for placement in the special education program, a review of each referral, confer with parents and guardians regarding program recommendations, develop a written instructional plan for each pupil provided special education services, and recommend specific special education

program services in their school. The team shall refer to the educational assessment service those pupils who the team has determined require a more definitive assessment, those whose instructional plan has not been effective or those whose parents or guardians have requested such a review. The responsible local agency shall annually notify parents or guardians of their right to request a review by the educational assessment service whenever they believe the pupil is not making appropriate progress.

(b) An educational assessment service. This service shall consist of professional specialists representing health, psychology, social work, speech and language, management services, and diagnostic teaching, and shall perform the following functions:

(1) Review referrals from school appraisal teams and program specialists.

(2) Recommend needed additional assessments.

(3) Develop written instructional goals for each pupil who either has been required to leave the school of his residence, attend special classes or centers, or whose parent or guardian is appealing a school appraisal team decision.

(4) Recommend program components.

(5) Confer with parents and guardians.

(6) Coordinate community resources with those provided by the schools.

(7) Review program recommendations of pupils returning to the district or county from the state schools and hospitals.

(8) Refer selected pupils to the superintendent for further assessment or individual instructional planning in connection with the California Schools for the Deaf or Blind or the Diagnostic Schools for Neurologically Handicapped Children.

SEC. 246. Section 56601 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

56601. (a) The education of educationally handicapped pupils who are diagnosed as being autistic shall be provided all eligible pupils between 6 and 21 years of age, and may be provided eligible pupils between the ages of 3 and 6 years, in the manner set forth in this chapter.

(b) The governing board of any elementary or unified school district which has an average daily attendance of 8,000 or more in the elementary schools of the district, or any high school district which has an average daily attendance of 8,000 or more shall provide for the education, in special education classes or programs, of autistic pupils residing in the district who are not in attendance upon other special education classes or programs.

(c) The county superintendent of schools shall provide special education classes or programs for autistic pupils who reside in the county and in elementary or unified school districts which have an average daily attendance of less than 8,001 in the elementary schools of the district, or who reside in the county and a unified or high school district which has an average daily attendance of less than

8,001. The classes and programs shall be established at centrally located places, and the county superintendent of schools shall provide transportation to the pupils attending them. A county superintendent of schools, required to provide for the education in special schools or classes of autistic pupils residing in the district who come within the provisions of this section, may with the approval of the Superintendent of Public Instruction enter into an agreement with an elementary, unified, or high school district for the latter to provide for the education of such autistic pupils.

(d) The State Board of Education shall adopt rules and regulations which shall prescribe standards for special education programs for autistic pupils. Such rules and regulations shall ensure that no county has more than four autistic pupils enrolled in special education classes or program for autistic pupils per 10,000 average daily attendance. The Superintendent of Public Instruction may waive the number of autistic pupils allowed to be served within each county if he determines that such waiver is necessary to meet the exceptional needs of autistic pupils.

SEC. 247. Section 56717 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

56717. Pupils between the ages of 3 and 21 and who are multihandicapped, as determined by the State Board of Education, may be enrolled in special day classes for the multihandicapped conducted by a school district or county superintendent of schools. Special day classes for multihandicapped pupils shall be approved in advance by the Superintendent of Public Instruction.

The Superintendent of Public Instruction shall approve not more than 100 classes during the 1970-71 fiscal year and not more than 50 additional classes each fiscal year thereafter, not to exceed a total of 400 classes.

SEC. 248. Section 56811 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

56811. Pursuant to Section 45020, Chapter 2 (commencing with Section 14200) of Part 9 of Division 1 of Title 1, Chapter 6 (commencing with Section 42100) to Chapter 8 (commencing with Section 42400), inclusive, Article 1 (commencing with Section 42600) and Article 2 (commencing with Section 42610) of Chapter 9 of Part 24 of Division 3 of this title, the governing board of any school district or county superintendent of schools maintaining a center may include in its budget the amount necessary to carry out its program pursuant to this chapter and the board of supervisors shall levy a school district tax or county tax necessary to raise such amount. The tax shall be in addition to any other school district tax or county tax authorized by law to be levied.

Funds derived from such tax may be expended in addition to state funds, and shall not operate to affect the operation of the formula for apportioning state funds provided for in Section 56810.

Any tax funds raised pursuant to this section may be used to purchase land or buildings, to make alterations or additions to

existing buildings, and to purchase furniture, apparatus or equipment for a center.

A county superintendent may, in conjunction with any development center for handicapped pupils established pursuant to this article, use any tax funds raised pursuant to this section to conduct research projects relating to children eligible for enrollment in development centers for handicapped pupils, and may also use such funds to lease, purchase, or construct facilities to house such research projects.

SEC. 249. Section 56829 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

56829. An advisory committee on development centers for handicapped pupils shall be established to aid in setting standards for admission to centers, and to advise the Department of Education in the administration and operation of centers. The advisory committee shall consist of one member from the Office of Developmental Disabilities and one member from Crippled Children's Services to be appointed by the Director of Health, one member from the Department of Education to be appointed by the Director of Education, one lay member from the general public and two unrelated parents of pupils enrolled in any developmental center for handicapped pupils to be appointed by the Director of Education, and four members from school districts or county superintendent of schools offices participating in the program to be appointed by the Director of Education. The member from the Department of Education shall serve as secretary of the committee.

The members of the committee shall serve without compensation, except that they may receive their actual and necessary expenses incurred in the performance of their duties and responsibilities, including travel expenses.

SEC. 250. Section 60014 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

60014. "Instructional materials system" means a comprehensive collection of related instructional materials which are designed to improve learning in one or more subjects and are so designed that all parts of the system should be used to produce the results intended.

SEC. 251. Section 60101 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

60101. No provision of this part shall be construed as prohibiting any district board, or any public library, from ordering and purchasing from their own funds such instructional materials as they may require, including state listed materials at a price equal to that computed pursuant to Section 60243.

SEC. 252. Section 60201 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

60201. In approving and maintaining lists of adopted instructional materials at least biennially, the state board shall, pursuant to subdivision (e) of Section 60200, do any one or more of the following, when applicable:

(a) Retain any instructional materials from a previous list and biennially make any adjustment in prices based on information provided pursuant to Section 60223.

(b) Delete from the lists any instructional material which it determines is obsolete pursuant to Section 60500, or which received no order from any district board during the previous biennial period.

(c) Add instructional materials not previously submitted for adoption, or materials previously submitted which have been revised to comply with any recommendations of the state board.

SEC. 253. Section 60202 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

60202. Before final adoption of any instructional materials not currently listed, the state board shall make any instructional materials proposed for adoption available for public inspection for not less than 30 days at display centers designated by the Superintendent of Public Instruction. There shall be an adequate distribution of display centers throughout the state.

SEC. 254. Section 60204 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

60204. The commission shall:

(a) Recommend curriculum frameworks to the state board.

(b) Develop criteria for evaluating instructional materials submitted for adoption so that the materials adopted shall adequately cover the subjects in the indicated grade or grades and which comply with the provisions of Article 3 (commencing with Section 60040) of Chapter 1 of this part. Such criteria shall be public information and shall be provided in written or printed form to any person requesting such information.

(c) Study and evaluate instructional materials submitted for adoption.

(d) Recommend to the state board instructional materials which it approves for adoption.

SEC. 255. Section 60222 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

60222. Publishers and manufacturers shall, at a time designated by the state board, submit the following information:

(a) Detailed specifications of the physical characteristics of such material. Such specifications shall be complied with by the publisher or manufacturer if the material is adopted and purchased in completed form by the state board or any district board. If the material is adopted under a lease contract, the Department of General Services shall follow comparable specifications in manufacturing the material. Changes in specifications may be made when approved by the state board and the publisher or manufacturer.

(b) A price schedule for the sale of completed materials to the state, including all costs of transportation pursuant to subdivision (a) of Section 60061, a statement of the cost to the State of California of purchasing a single unit of each item of instructional material, and

any discounts for quantity purchases and any discounts for payment within any specified period of time.

(c) A price schedule for the lease and/or purchase by the state of films, dies, and other materials to be used by the state to manufacture such materials.

(d) A price schedule of royalty costs to be paid to the publisher or manufacturer whenever the state manufactures and distributes to school districts any such materials.

SEC. 256. Section 60223 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

60223. Publishers and manufacturers may biennially submit revisions to price schedules submitted pursuant to Section 60222 for purposes of subdivision (a) of Section 60201.

SEC. 257. Section 60261 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

60261. District boards shall determine the necessary quantities and distribution pattern of instructional materials to pupils. No minimum order or ratio of materials shall be required, except that each district board shall provide sufficient quantities of state-adopted textbooks and instructional materials to meet the needs of their pupils and the requirements of Section 7.5 of Article IX of the California Constitution.

SEC. 258. Section 60640 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

60640. The State Board of Education shall require each school district to administer uniform tests to each pupil not later than his third month of attendance in the first grade. The first-grade entry level test shall obtain a composite estimate for each pupil of skills related to learning and memory, attention, visual perception, and auditory comprehension. The answer sheets shall be transmitted to the Department of Education for scoring. If no published test is deemed suitable, the State Board of Education may combine parts of available tests or develop a new test.

The State Board of Education shall also require each school district to administer uniform tests in reading annually to pupils in grades 2 and 3. Such tests shall be recommended by the Department of Education and shall be submitted to the State Board of Education for approval and adoption. If no published test is deemed suitable, the Department of Education may combine parts of available tests or develop a new test. Any test so adopted shall be equated to nationally normed tests so that the performance of California pupils may be compared to that of a national sample. The tests which have been approved and adopted by the board shall be printed or purchased and distributed to the various school districts in the state by the Department of Education. The answer sheets shall be transmitted to the Department of Education for scoring.

The State Board of Education shall develop a testing method that will obtain an accurate estimate of statewide performance of pupils in grades 2 and 3 in reading. Under such a testing method, the

Department of Education shall determine whether pupils in a given school shall be administered the entire test or whether the pupils shall be administered a portion of the test which will be representative of all test objectives, goals, or categories of items on the entire test.

The procedure required by this section shall be implemented not later than the 1975–76 school year.

The State Board of Education shall determine the form in which the answer sheets for the first-grade entry level test shall be transmitted to the Department of Education for scoring, and the form in which the answer sheets for the uniform tests in reading for grades 2 and 3 shall be transmitted to the Department of Education for scoring.

The State Board of Education shall analyze the progress achieved by third-grade pupils using the first-grade entry level test results as a basis for identifying comparable pupils receiving various kinds of reading instruction.

The State Board of Education shall adopt rules and regulations governing the time, place, and methods for administration of the testing program under this article.

The tests administered pursuant to this article shall be employed to determine each school district's quota of specialist reading teachers, as required by Article 3 (commencing with Section 54140) of Chapter 2 of Part 29 of this division.

Commencing with tests administered in the 1972–73 school year, school districts shall submit answer sheets and related pupil information on a per-school basis.

SEC. 259. Section 60643 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

60643. The scores of tests provided pursuant to Section 60640 of those pupils in grades 2 and 3 who have participated in a remedial program shall be maintained and treated separately.

From a study of the results of these tests in districts which conduct a basic reading program pursuant to this chapter, and the test results in districts which do not conduct such a program, the Superintendent of Public Instruction shall evaluate basic reading programs, and he shall report his findings annually to the State Board of Education.

SEC. 260. Section 60664 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

60664. The Superintendent of Public Instruction shall perform an analysis of selected schools to identify educational factors which produce the distinction between unusually high-performing districts and unusually low-performing districts, such. performance as measured by standard measures of school achievement.

The schools selected for study shall be comparable in social and demographic characteristics and shall vary only on student attainment.

The study shall last three calendar years so that variables

discovered the first year may be verified the second and third years.

The Superintendent of Public Instruction shall report to the Legislature by January 5, 1975, on the identification and description of those socioeconomic, financial, and educational variables affecting school performance which tend to distinguish between unusually high-performing districts and unusually low-performing districts. By January 5, 1976, the Superintendent of Public Instruction shall issue a report to the Legislature including information regarding the verifiability of the relative impact of the variables discovered during the first year of the study.

By July 1, 1976, the Superintendent of Public Instruction shall submit a study plan to the Legislature indicating: (1) the additional data that will be collected and analyzed in order to explain the operation of the education variables identified in previous reports pursuant to this section; and (2) the Department of Education's plan for disseminating the results of this study to schools throughout the state, and for using the results of this study to improve educational programs.

By January 5, 1978, he shall submit a final report including findings regarding the variables of interest.

SEC. 261. Section 66602 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

66602. The board shall be composed of the following four ex officio members: the Governor, the Lieutenant Governor, the Superintendent of Public Instruction, and the person named by the trustees to serve as the Chancellor of the California State University and Colleges; a representative of the alumni associations of the state university and colleges, selected for a two-year term by the alumni council, California State University and Colleges, which representative shall not be an employee of the California State University and Colleges during the two-year term; and 16 appointive members appointed by the Governor and subject to confirmation by two-thirds of the Senate. There shall also be appointed by the Governor for a two-year term, a student from a California state university or college who shall have at least a junior year standing at the institution he or she attends, and shall remain in good standing as a student for the two-year term. In the selection of a student as a member of the board, the Governor shall appoint such student from a list of names of not more than five persons furnished by student representatives of each of the universities and colleges of the California State University and Colleges. The student representative of a university or college shall be the elected student body president or, in the case of a university or college not having an elected student body president, the person receiving the highest number of votes cast at a student body election held to select such student representative. Any appointment to fill a vacancy of a student member shall be effective only for the remainder of the term of the person's office that became vacated. The Speaker of the Assembly shall be an ex officio member, having equal rights and duties with

nonlegislative members.

SEC. 262. Section 68014 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

68014. "Parent" means the parent with whom the minor resides; or, if both parents are deceased, his or her legal guardian.

SEC. 263. Section 69273 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

69273. There is hereby created a Health Manpower Policy Commission. The commission shall be composed of nine members who shall serve at the pleasure of their appointing authorities:

(a) Seven members appointed by the Governor, as follows: one representative of the University of California medical schools, from a nominee or nominees submitted by the University of California; one representative of the private medical schools accredited in California from individuals nominated by each of such schools; one representative of practicing family physicians; one representative of undergraduate medical students in a family practice program or residence in family practice training; one representative of trainees in a primary care physician's assistant program or a practicing physician's assistant; one representative of trainees in a primary care nurse practitioners program or a practicing nurse practitioner; and one representative of the State Department of Health, from nominees submitted by the director.

(b) Two consumer representatives of the public who are not elected or appointed public officials, one appointed by the Speaker of the Assembly and one appointed by the Chairman of the Senate Rules Committee.

(c) The Chief of the Health Manpower Development Section, or his designee, shall serve as executive secretary for the commission.

SEC. 264. Section 69274 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

69274. The duties of the commission shall be:

(a) To determine specific areas of the state where unmet priority needs for primary care family physicians exist.

(b) To establish standards for family practice training programs and family practice residency programs and programs which train primary care physician's assistants and programs which train primary care nurse practitioners, including appropriate provisions to encourage family physicians and primary care physician's assistants and primary care nurse practitioners who receive training in accordance with this article to provide needed services in areas of unmet need within the state. Standards for family practice residency programs shall provide that all such residency programs contracted for pursuant to this article shall (i) meet the American Medical Association's "Essentials" for Residency Training in Family Practice and (ii) be approved by the Residency Review Committee for Family Practice of the American Medical Association. Every program shall include a component of training designed for medically underserved multicultural communities, lower

socioeconomic neighborhoods, or rural communities, and shall be organized to prepare family physicians or primary care physician's assistants or primary care nurse practitioners for service in such neighborhoods and communities. Medical schools receiving funds under this article shall have programs or departments that recognize family practice as a major independent specialty. Existence of a written agreement of affiliation or association between a hospital and an accredited medical school shall be regarded by the commission as a favorable factor in considering recommendations to the director for allocation of funds appropriated to the state medical contract program established under this article.

(c) To review and make recommendations to the Director of Health concerning the funding of family practice programs or departments, family practice residencies and programs for the training of primary care physician's assistants and primary care nurse practitioners which are submitted to the Health Manpower Development Section, for participation in the contract program established by this article. Where the commission determines that a program proposal which has been approved for funding or which is the recipient of funds under this article does not meet the standards established by the commission, it shall submit to the Director of Health and the Legislature a report detailing its objections. The commission may request the Department of Health to make advance allocations for program development costs from amounts appropriated for the purposes of this article.

(d) To establish contract criteria and single per-student and per-resident capitation formulas which shall determine the amounts to be transferred to institutions receiving contracts for the training of family practice students and residents and primary care physician's assistants and primary care nurse practitioners pursuant to this article, except as otherwise provided in subdivision (e). Institutions applying for or in receipt of contracts pursuant to this article may appeal to the director for waiver of these single capitation formulas. The director may grant such waiver in exceptional cases upon a clear showing by the institution that a waiver is essential to the institution's ability to provide a program of a quality comparable to those provided by institutions which have not received waivers, taking into account the public interest in program cost-effectiveness. Recipients of funds appropriated by this article shall, as a minimum, maintain the level of expenditure for family practice or primary care physician's assistant or family care nurse practitioner training provided by such recipients during the 1973–74 fiscal year. Funds appropriated by this article shall be used to develop new programs or to expand existing programs and shall not replace funds supporting current family practice training programs. Institutions applying for or in receipt of contracts pursuant to this article may appeal to the director for waiver of this maintenance of effort provision. The director may grant such waiver if he determines that there is reasonable and proper cause to grant

such waiver.

(e) To review and make recommendations to the Director of Health concerning the funding of special programs which may be funded on other than a capitation rate basis. Such special programs may include the development and funding of the training of primary health care teams of family practice residents or family physicians and primary care physician's assistants or primary care nurse practitioners; undergraduate medical education programs in family practice; and programs which link training programs and medically underserved communities in California which appear likely to result in the location and retention of training program graduates in such communities. Such special programs may include also the development phase of new family practice residency, primary care physician's assistant or primary care nurse practitioner programs.

The commission shall establish standards and contract criteria for special programs recommended under this paragraph.

(f) To review and evaluate these programs regarding proper compliance with the provisions of this article and to submit annual progress reports to the Legislature on or before September 30 of each year. One standard for evaluation shall be the number of recipients who, after completing the program, actually go on to serve in areas of unmet priority for primary care family physicians in California.

SEC. 265. Section 69511 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

69511. (a) Each member of the commission shall have a four-year term; provided, that members appointed pursuant to subdivision (d) of Section 69510 shall have two-year terms.

(b) The members appointed pursuant to subdivisions (a), (d), and (f) of Section 69510 shall be appointed effective January 1, 1976.

(c) At no time shall both student representatives be enrolled in a California independent college or university or the University of California or the California State University and Colleges or a California community college.

(d) Current members of the Student Aid Commission shall serve on the commission for the remainder of the terms for which they were appointed, and such members may be reappointed. Notwithstanding Section 69510, the commission shall consist of 13 members in 1976, 12 members in 1977, 1978, and 1979, and 11 members thereafter.

(e) Appointment to the commission shall be made by the Governor subject to confirmation by the Senate.

(f) Any vacancy shall be filled by the appointment of a person who will have the same status as the predecessor of the appointee. The appointee shall hold office only for the balance of the unexpired term.

(g) Whenever by the provisions of any act of Congress a program of scholarships or grants for undergraduate students is established which permits administration of such program within a state by a state agency, the Student Aid Commission, as established by Section

69510, shall administer such act within the state if the Governor and the Student Aid Commission, by a majority vote of its entire membership, determine that the participation by the state in the federal scholarship or grant program under such act would not interfere with or jeopardize the continuation of the scholarship program established under Sections 69530 to 69547, inclusive.

The commission shall constitute the state commission on federal scholarships or grants and is hereby empowered to formulate a plan for development and administration of any such federal scholarship or grant program within the state.

Subject to the provisions of this chapter, the commission is hereby vested with all necessary power and authority to cooperate with the government of the United States, or any agency or agencies thereof, in the administration of any act of Congress establishing a scholarship or grant program and the rules and regulations adopted thereunder.

Before adopting a state plan the Student Aid Commission, acting as the state commission on federal scholarships or grants, shall hold public hearings as provided in the California Administrative Procedure Act.

SEC. 266. Section 69532 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

69532. There shall be 23,062 new Cal Grant awards for first-time recipients for the 1977–78 fiscal year and each year thereafter, except that new scholarships in subdivision (a) in excess of 4.25 percent of the number of high school graduates of the previous fiscal year, in subdivision (b) in excess of 5,375, and in subdivision (c) in excess of 1,062 shall not be awarded unless there are federal student financial aids funds available to the State Scholarship and Loan Commission in an amount necessary to fund such awards or unless the Legislature acts in the future to fund such awards. First priority for federal state student incentive grant funds shall be for students originally funded from state student incentive grant funds who are eligible for renewal. Such grants shall be allocated as follows:

(a) 14,900 awards for the 1977–78 fiscal year, and each fiscal year thereafter, to be utilized for tuition and student fees pursuant to Section 40405.

(b) 6,825 awards for the 1977–78, fiscal year and each fiscal year thereafter, to be utilized for tuition, student fees, and subsistence costs pursuant to Section 40406.

(c) 1,337 awards for the 1977–78 fiscal year and each fiscal year thereafter, to be utilized for occupational or technical training pursuant to Sections 69539 through 69543.

SEC. 267. Section 69536 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

69536. A Cal Grant award for tuition and student fees as provided in subdivision (a) of Section 69532 may be utilized at any California postsecondary educational institution or program eligible to participate in the Federal Basic Educational Opportunity Grant Program, or any institution recognized as a candidate for

accreditation by the Western Association of Schools and Colleges or approved under the requirements of paragraph (2) of subdivision (a) of Section 94310, provided that such award may not be utilized by a student enrolled in an instructional program of less than two years. No such award may exceed the cost of tuition and fees, and shall in no event exceed the sum of two thousand seven hundred dollars ($2,700). Such awards may not be utilized for graduate study, and may be renewed for a total of four years of full-time attendance after first entering a postsecondary education institution in an instructional program or an equivalent thereof, provided that financial need continues to exist.

SEC. 268. Section 69538 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

69538. To be eligible for a Cal Grant award for tuition, student fees, and subsistence costs as provided in subdivision (b) of Section 69532 the student shall be a disadvantaged student under criteria to be established by the commission, which shall take into consideration those financial, educational, cultural, language, home, community, environmental, and other conditions which tend to make difficult the gaining access to and persisting in postsecondary programs. Such awards may be utilized for tuition, student fees, living expenses, transportation, supplies, and books.

The Legislature recognizes that the role of the community colleges, as the least expensive level of California higher education, is a crucial role in increasing the higher education opportunities for disadvantaged students, and it is the intent of the Legislature that the additional opportunities for higher education provided pursuant to this chapter shall be initiated primarily on the public community college level.

Grants awarded under this chapter shall be for living expenses, transportation, supplies and books, according to the student's financial need, and shall not be in excess of one thousand one hundred dollars ($1,100) per academic year. The Student Aid Commission may also award such grants and an additional amount to pay tuition and fees to attend college at a public or private four-year college or university or other eligible postsecondary educational institution. Any eligible student who has been awarded an initial grant on the basis of need and attendance at a public community college may transfer to another eligible college without being eliminated from the program. In such cases, no adjustments to the initial grant shall be made for tuition and fees.

In no case shall Cal Grant awards exceed the sum of three thousand six hundred dollars ($3,600), and such awards may not be utilized for graduate study. The awards may be utilized at any California postsecondary educational institution or program eligible to participate in the Federal Basic Educational Opportunity Grant Program, or any institution recognized as a candidate for accreditation by the Western Association of Schools and Colleges or approved under the requirements of paragraph (2) of subdivision

(a) of Section 94310, provided that such award may not be utilized by a student enrolled in an instructional program of less than nine months. On and after June 30, 1980, the award may be utilized by a student enrolled in an instructional program of not less than two academic years. The awards may be renewed for a total of four years of full-time attendance after first entering a postsecondary education institution in an instructional program or an equivalent thereof, provided that financial need continues to exist.

SEC. 269. Section 69565 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

69565. A scholarship award winner may use his scholarship at any one of the institutions of collegiate grade located in California if such institution offers a two-year junior college or four-year college course and is accredited or accepted as a recognized candidate for accreditation by the Western Association of Schools and Colleges. Nothing contained in this chapter shall be interpreted to require any such institution to admit into such institution, or once admitted to continue in such institution, an award winner.

Commencing with the 1977–78 academic year, students eligible for renewal awards may use their grants at any institution qualifying under Section 69536.

SEC. 270. Section 69566 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

69566. Each competitive scholarship is for the period of one academic year and the award shall be for three hundred dollars ($300) not to exceed two thousand seven hundred dollars ($2,700) in one hundred dollar ($100) amounts at the college the award winner will attend, as required by applicant's financial need, as determined by the commission, but in no event in excess of an amount equal to the tuition or necessary fees, or both tuition and fees, for the academic year, including summer terms, sessions, or quarters of the institution at which the scholarship is used. No competitive scholarship awarded to an applicant under this section for the period of one academic year shall exceed the total amount of two thousand seven hundred dollars ($2,700); except that the commission may, for students who accelerate college attendance, increase the amount of award for one academic year proportional to the period of additional attendance resulting from attendance at a summer term, session, or quarter. In the aggregate, the total amount a student would receive in a four-year period may not be increased as a result of accelerating his progress to a degree by attending summer terms, sessions, or quarters. The commission may provide by appropriate rules and regulations for such reports, accounting, and statements from the award winner and college or university of attendance pertaining to the use or application of the award as it may deem proper. A competitive scholarship may be renewed annually without an additional competitive examination until the award winner has received four annual awards or until he has been graduated from such an institution in an undergraduate course, whichever is the

earlier, provided that at or prior to such renewal the commission shall reassess the financial needs of such award winner and establish the amount of the award within the limits prescribed by this section. The scholarship shall remain in effect only during the period that the award winner achieves satisfactory academic progress and is regularly enrolled as a full-time student in an institution of collegiate grade, as described in Section 69565, or commencing with the 1977–78 academic year, as a part-time student as specified in Section 69535.

SEC. 271. Section 69582 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

69582. There shall be 3,100 new grants available for the 1975–76 fiscal year and 6,825 new grants available for the 1976–77 fiscal year, except that new grants in excess of 5,375 shall not be awarded unless there are federal student financial aid funds available to the Student Aid Commission in an amount necessary to fund such awards. First priority for federal state student incentive grant funds shall be for students originally funded from state student incentive grant funds who are eligible for renewal.

SEC. 272. Section 69583 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

69583. The recipients of such grants shall be eligible for renewal of their awards until they have completed an A.B. degree or its equivalent in conformance with the terms prescribed by the commission, which terms shall not be in conflict with this chapter. Such grants may be awarded to eligible students who attend public community colleges for vocational purposes terminating with a two-year course of study, or commencing with the 1977–78 academic year, by a part-time student as specified in Section 69535. Such grants may be utilized at summer quarters or terms; provided, that the aggregate amount of aid received over a four-year period may not be increased as a result of attending a summer term.

SEC. 273. Section 69584 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

69584. To be eligible for a grant under this chapter, a student shall meet all of the following:

(a) Be a disadvantaged student under criteria to be established by the commission, which shall take into consideration those financial, educational, cultural, language, home, community, environmental, and other conditions which tend to make difficult the gaining access to and persisting in postsecondary programs.

(b) Be in need of financial assistance to attend college.

(c) Have demonstrated substantial potential for successfully participating at an institution of higher education and for future leadership in the community.

(d) Be a resident of the State of California, as defined in Article 5 (commencing with Section 68060) of Chapter 1 of Part 41.

(e) Be a citizen of the United States or have been admitted to permanent residence.

(f) Be admitted to and enrolled in a California public community college either accredited by or accepted as a recognized candidate for accreditation by the Western Association of Schools and Colleges, or be admitted to and enroll in a California public or private college accredited by the Western Association of Schools and Colleges as a full-time undergraduate student. Commencing with the 1977–78 academic year, students eligible for renewal awards may use their grants at any institution qualifying under Section 69538.

(g) Maintain satisfactory progress toward a degree and eligibility as defined by the commission.

SEC. 274. Section 69602 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

69602. To be eligible for an occupational education and training grant under this chapter, an applicant shall meet all of the following requirements:

(a) Be a resident of the State of California, as defined in Article 5 (commencing with Section 68060) of Chapter 1 of Part 41.

(b) Be a citizen of the United States or have been admitted to permanent residence.

(c) Demonstrate occupational achievement or aptitude and financial need. In determining occupational achievement or aptitude, the commission may use acceptable testing procedures to the extent these are available. In determining financial need of an applicant, the commission shall expect each student to make a self-help contribution toward occupational or technical training costs and the financial status of his parents shall be taken into consideration.

(d) Use his grant for occupational or technical training in California in institutions either accredited or accepted as a recognized candidate for accreditation by the Western Association of Schools and Colleges or by a national accrediting association recognized by the United States Office of Education. As used in this section, "occupational or technical training" shall mean that phase of education coming after the completion of a secondary school program and leading toward recognized occupational goals approved by the commission, which shall include three-year hospital-based programs to train licensed registered nurses approved by the Board of Registered Nursing. Commencing with the 1977–78 academic year, students eligible for renewal of awards may use their grants at any institution qualifying under Section 69539.

(e) Have applied for a state occupational education and training grant and have met the criteria established by the commission for eligibility for such grant.

(f) Have complied with all of the rules and regulations adopted by the commission for the award, regulation, and administration of state occupational education and training grants adopted pursuant to this chapter.

SEC. 275. Section 69604 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

69604. There shall be 700 new grants for the 1975–76 fiscal year and

1,337 new grants for the 1976–77 fiscal year, except that new grants in excess of 1,062 shall not be awarded unless there are federal student financial aid funds available to the Student Aid Commission in an amount necessary to fund such awards. First priority for federal state student incentive grant funds shall be for students originally funded from state student incentive grant funds who are eligible for renewal.

SEC. 276. Section 69605 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

69605. The recipients of such grants shall be eligible for renewal of their grants until they have completed their occupational or technical training in conformance with terms prescribed by the commission. In no case shall such grants exceed two calendar years, except that recipients enrolled in three-year, hospital-based programs to train licensed registered nurses may receive grants for a maximum of three calendar years; nor shall such grants be awarded for a course of training of less than six weeks duration, except that commencing with the 1977–78 academic year, grants may be used by a part-time student as specified in Section 69535.

SEC. 277. Section 69621 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

69621. California State University and Colleges Educational Opportunity Program grants may be awarded to persons selected for enrollment in programs authorized by the trustees according to the procedures established by the trustees, provided that they are residents of this state, are high school graduates or have, pursuant to such procedures, equivalent qualifications, and have been nominated by their high school, the Veterans Administration, a state agency or educational agency designated by the trustees, or a state university or college president. The trustees shall determine eligibility for grants awarded pursuant to this chapter. Such grants may be granted and renewed according to standards set by the trustees until the student has received a baccalaureate degree or has completed five academic years, whichever occurs first. In special circumstances, such as illness or military service, or family hardship, the trustees may renew the grant beyond the fifth year of study, provided the student has not received a baccalaureate degree. When the recipient is an enrollee in a special educational opportunity program approved by the trustees, for the purposes of this chapter, the state university or college sponsoring the program shall receive from the trustees reimbursement of up to sixty dollars ($60) per month per enrollee up to 12 month's support.

SEC. 278. Section 69623 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

69623. Grants awarded pursuant to this chapter shall be in an amount sufficient to pay the costs of a student, during his course of study, for tuition, books, and room and board in accordance with his needs as shall be determined by the trustees. No student shall be awarded a grant in excess of one thousand dollars ($1,000) per academic year. The trustees shall require that each applicant for a

grant pursuant to this chapter also make prior or concurrent application for a federal basic educational opportunity grant, unless the trustees are satisfied that the applicant is not eligible for such federal grant.

SEC. 279. Section 71046 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

71046. The Director of Finance may give the Board of Governors of the California Community Colleges authority to accept on behalf of, and in the name of, the state such gifts, donations, bequests, and devises as may be made to the board of governors, or to any school or other institution under the jurisdiction of the board of governors which in his judgment would be of benefit to the state and, if made to a community college or other institution, would be of benefit to the community college or other institution. Gifts, donations, bequests, and devises may be made subject to such conditions or restrictions as the board of governors may deem advisable.

SEC. 280. Section 72023 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

72023. In every community college district in which trustee areas have not been established, there shall be a governing board of either five or seven members elected at large from the district to serve a term of four years. If trustee areas have been established in a community college district the governing board shall consist of a member or members from each trustee area. The terms of trustees shall, except as otherwise provided, be staggered so that as nearly as practicable one-half of the trustees shall be elected in each odd-numbered year.

In the Peralta Community College District, the governing board may consist of not to exceed 15 members, if the governing board so determines, whether or not trustee areas have been established.

The governing board of the Redwoods Community College District may consist of eight members, provided the area contained in the Fort Bragg Unified School District and the Mendocino Unified School District is annexed to the Redwoods Community College District, and provided an additional coterminous trustee area of the district is established including such territory. Such governing board may consist of nine members if, in addition to the annexation specified above, the area contained within Del Norte County is annexed to the Redwoods Community College District, and provided an additional coterminous trustee area of the district is established including such territory.

SEC. 281. Section 72246 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

72246. (a) The governing board of a district maintaining a community college may require community college students to pay a fee in the total amount of not more than ten dollars ($10) for the regular school year for health supervision and services, including direct or indirect medical and hospitalization services, or the operation of a student health center or centers, authorized by

Section 72244, or both.

(b) If pursuant to this section a fee is required, the governing board of a district shall decide the amount of the fee, if any, that a part-time student is required to pay. The governing board shall likewise decide the amount of the fee, if any, to be required of summer session students. Such fee may be in addition to the ten dollars ($10) maximum amount which may be charged during the regular school year, but shall not exceed the amount charged per semester or quarter during the regular school year.

(c) The governing board of a district maintaining a community college shall adopt rules and regulations that either exempt low-income students from any fee required pursuant to subdivision (a) or provide for the payment of the fee from other sources.

(d) The governing board of a district maintaining a community college shall adopt rules and regulations that exempt students who depend exclusively upon prayer for healing in accordance with the teachings of a bona fide religious sect, denomination, or organization and students who are attending a community college under an approved apprenticeship training program from any fee required pursuant to subdivision (a).

(e) All of such fees shall be deposited in the general fund of the district, and shall be expended only for the purposes for which such fees were collected.

SEC. 282. Section 72419.5 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

72419.5. Anything in a city, county, or city and county charter to the contrary notwithstanding, the governing board of any community college district or the governing boards of any community college districts and any county superintendent of schools may, in lieu of appointing an administrative adviser pursuant to Section 72419, appoint a legal counsel and fix and order paid such counsel's compensation as an employee or as an independent contractor. The duties of the legal counsel may include rendering legal advice to the superintendent of schools and to other officers and employees of the community college district or districts and such other administrative duties as may be assigned by the superintendent of schools and the governing board of the district or governing boards of the districts, and serving as the legal counsel of the district or districts in the preparation and conduct of school district litigation and administrative proceedings, and rendering advice in relation to school bond and tax increase measures and prepare all legal papers and forms necessary for the voting of school bonds and tax increase measures in the district or districts. The legal counsel shall have been admitted to practice law in the state, and shall not be required to have any certification qualifications. The term "legal counsel" as used herein includes a sole practitioner, partnership, or a law corporation.

Neither the county counsel or district attorney shall have a duty to perform for a school district or districts any legal services which

the legal counsel, while employed by such district or districts, is authorized by this section to perform and which are assigned to legal counsel by the superintendent of schools or the governing board of a district or governing boards of the districts.

In the event a district or districts ceases to employ legal counsel and requests the resumption of legal services by the county counsel or district attorney, the district or districts shall notify the county counsel or district attorney of such fact on or before January 1 of the year preceding the fiscal year in which services are to be resumed.

SEC. 283. Section 72511 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

72511. The board of governors of a community college district may provide protection from its own funds for the purpose of covering the liability of the district, its officers, agents, and employees, in lieu of carrying insurance in insurance companies as provided in Section 72506. Nothing contained herein shall be construed as prohibiting the board of the district from providing protection against such liability partly by means of its own funds and partly by means of insurance written by insurance companies as provided in Section 72506.

SEC. 284. Section 72620 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

72620. The governing board of a community college district may provide in each school within the district an organized and functioning counseling program. Counseling shall include, but not be limited to, the following:

(a) Educational counseling, in which the student is assisted in planning and implementing his immediate and long-range educational program.

(b) Career counseling, in which the student is assisted in assessing his or her aptitudes, abilities, and interests in order to make realistic career decisions. Such career counseling shall include encouraging students, including women and minorities, to seek apprenticeship training.

(c) Personal counseling, in which the student is helped to develop his ability to function with social and personal responsibility.

(d) Evaluating and interpreting test data.

(e) Counseling and consultation with parents and staff members on learning problems and guidance programs for students.

For purposes of this section, a person performing counseling services to students shall be a school counselor possessing a valid credential with a specialization in student personnel services and assigned specific times to directly counsel students regarding their educational, vocational, and social adjustment.

A governing board of a community college district which offers such counseling services, may contract with the governing boards of any other districts, or private schools, or other public and private agencies or organizations, to render such counseling services. In so contracting, the governing board of a community college district

shall not contract at less than cost to a private school, or private agency or organization.

Nothing in this section shall be construed as prohibiting persons participating in an organized advisory program approved by the governing board of a community college district, and supervised by a district counselor, from advising students pursuant to the organized advisory program.

Notwithstanding any provisions of this section to the contrary, any person who is performing such counseling services pursuant to law authorizing the performance thereof in effect before the effective date of this section shall be authorized to continue to perform such services on and after March 4, 1972, without compliance with the additional requirements imposed by this section.

SEC. 285. Section 72632 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

72632. The governing board of any community college district or any member of the governing board of a district may prepare or disseminate information or may make public or private appearances or statements for the purpose of urging the passage or defeat of any school measure of the district.

As used in the section, "school measure" includes any proposition for the issuance of bonds of the district, an increase in the maximum tax rate of the district, the acceptance, expenditure, and repayment of state funds by the district to enable the district to construct buildings and other facilities, or the candidacy of any person for election to the governing board of the district.

Nothing in this code shall be construed as prohibiting any administrative officer of a district from appearing at any time before a citizens group, which requests his appearance, to discuss the reasons why the governing board of the district called an election to submit to the voters of the district a proposition for the issuance of bonds or for an increase in the maximum tax rate of the district and to answer questions put to him by any taxpayer concerning the cost of such proposals.

SEC. 286. Section 72640 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

72640. The governing board of a community college district may:

(a) Conduct field trips or excursions in connection with courses of instruction or school-related social, educational, cultural, athletic, or college band activities to and from places in the state, any other state, the District of Columbia, or a foreign country for students enrolled in a college. A field trip or excursion to and from a foreign country may be permitted to familiarize students with the language, history, geography, natural sciences, and other studies relative to the district's course of study for such pupils.

(b) Engage such instructors, supervisors, and other personnel as desire to contribute their services over and above the normal period for which they are employed by the district, if necessary, and provide equipment and supplies for such field trip or excursion.

(c) Transport by use of district equipment, contract to provide transportation, or arrange transportation by the use of other equipment, of students, instructors, supervisors or other personnel to and from places in the state, any other state, the District of Columbia, or a foreign country where such excursions and field trips are being conducted; provided that, when district equipment is used, the governing board shall secure liability insurance, and if travel is to and from a foreign country, such liability insurance shall be secured from a carrier licensed to transact insurance business in such foreign country.

(d) Provide supervision of students involved in field trips or excursions by certificated employees of the district.

No student shall be prevented from making the field trip or excursion because of lack of sufficient funds. To this end, the governing board shall coordinate efforts of community service groups to supply funds for students in need of them.

No group shall be authorized to take a field trip or excursion authorized by this section if any student who is a member of such an identifiable group will be excluded from participation in the field trip or excursion because of lack of sufficient funds.

No expenses of students participating in a field trip or excursion to any other state, the District of Columbia, or a foreign country authorized by this section shall be paid with district funds. Expenses of instructors, chaperons, and other personnel participating in a field trip or excursion authorized by this section may be paid from district funds, and the district may pay from district funds all incidental expenses for the use of district equipment during a field trip or excursion authorized by this section.

The attendance or participation of a student in a field trip or excursion authorized by this section shall be considered attendance for the purpose of crediting attendance for apportionments from the State School Fund in the fiscal year. Credited attendance resulting from such field trip or excursion shall be limited to the amount of attendance which would have accrued had the students not been engaged in the field trip or excursion. No more contact hours shall be generated by a field trip or excursion than if the class were held on campus.

All persons making the field trip or excursion shall be deemed to have waived all claims against the district or the State of California for injury, accident, illness, or death occurring during or by reason of the field trip or excursion. All adults taking out-of-state field trips or excursions and all parents or guardians of students taking out-of-state field trips or excursions shall sign a statement waiving such claims.

No transportation allowances shall be made by the board of governors for expenses incurred with respect to field trips or excursions which have an out-of-state destination. A community college district which transports students, instructors or other employees of the district in schoolbuses within the state and to

destinations within the state, pursuant to the provisions of this section, shall report to the board of governors on forms prescribed by them the total mileage of schoolbuses used in connection with such educational excursions.

SEC. 287. Section 74162 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

74162. The county superintendent of schools shall, within 30 days following the regular or special meeting called by the county committee to review the petition, transmit the report and recommendation of the county committee to the office of the secretary of the board of governors.

SEC. 288. Section 74165 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

74165. If the board of governors approves the formation of the proposed new district the secretary of the board shall immediately notify the county superintendent of schools. Within 20 days after receiving the notification, he shall call an election, in the manner prescribed in Part 4 (commencing with Section 5000) of Division 1 of Title 1, to be conducted at the next regular election, in the territory or districts as determined by the board of governors. Each provision in a proposal to form a new community college district or districts, as provided by the board of governors, shall be considered an inherent part of the total proposal and not be construed as a separate proposition. The ballot used in the election shall contain the words "For the formation of the new _____ Community College District with a revenue limit per unit of average daily attendance of _____, such limit to be in effect for the school year commencing _____" followed by the words "Yes" and "No" so placed that the voter may clearly indicate his choice.

SEC. 290. Section 74644 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

74644. When the petition, report and recommendation are transmitted to the county board of supervisors or county board of education, as the case may be, the county superintendent of schools shall set the matter for hearing by the board of supervisors or county board of education at a regular meeting of the board.

At least 10 days prior to the date of the hearing the county superintendent shall send by certified mail a notice of hearing and a copy of the report and recommendation of the county committee to the chief petitioners, if any have been designated, and to the governing board of each community college district whose boundaries would be affected by the proposed change and shall post copies of the notice as provided in Section 5362 or publish a copy of the notice as provided in Section 5363.

SEC. 291. Section 74645 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

74645. After hearing all interested persons, the board of supervisors or county board of education, as the case may be, shall grant or deny the peitition or require an election to be held. If the board grants the

petition it shall determine whether all or only a part of the territory shall be transferred. If the board requires an election to be held it shall determine whether the election shall be held in the whole community college district from which the territory would be transferred or whether the election shall be held only in the territory proposed to be transferred. The county superintendent of schools shall call, hold, and conduct any election required by this section.

SEC. 292. Section 76066 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

76066. In schools or classes for adults, regional occupational centers or programs, or in elementary schools in which the student body is not organized, the governing board may appoint an employee or official to act as trustee for student body funds and to receive said funds in accordance with procedures established by the board. These funds shall be deposited in a bank or a savings and loan association, or both approved by the board and shall be expended subject to the approval of said appointed employee or official and also subject to such procedure as may be established by the board.

SEC. 293. Section 76140 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

76140. A community college district may admit and shall charge a tuition fee to nonresident students. The district may exempt from all or parts of the fee:

(a) All nonresidents who enroll for six units or less. Exemptions made pursuant to this subdivision shall not be made on an individual basis; or

(b) Any nonresident who is both a citizen and resident of a foreign country, provided that the nonresident has demonstrated a financial need for the exemption and not more than 10 percent of the nonresident foreign students attending any community college district may be so exempted. Exemptions made pursuant to this subdivision may be made on an individual basis. In the same manner as other nonresident students, community college districts shall be precluded from computing average daily attendance of nonresident foreign students.

A district may, with the approval of the Board of Governors of the California Community Colleges contract with a state, a county contiguous to California, the federal government, a foreign country, or an agency thereof, for payment of all or a part of a nonresident student's tuition fee.

The nonresident tuition fee shall be paid in equal installments at the beginning of each term as determined by the governing board of the district and shall be set by the governing board of each community college district not later than January 1st of each year. The fee shall represent the amount per student enrolled in the district, which is expended by the district for the current costs of education as defined by the California Accounting Manual for students enrolled in grades 13 and 14.

The district governing board shall establish the nonresident tuition

on the basis of one of the following computations: (a) the amount per student enrolled, derived by dividing the current costs expended from funds from all sources during the preceding year by the average daily attendance during the same year in grades 13 and 14, or (b) the statewide average current expenditure per unit of average daily attendance in grades 13 and 14 during the preceding fiscal year. The same fee shall be charged irrespective of the type of class in which the student is enrolled. Any loss in revenue generated by the nonresident tuition fee shall not be offset by additional state funding due to the loss of revenues derived therefrom.

The governing board of each community college district shall also adopt a per-unit tuition fee for nonresidents on less than a full-time basis by dividing the fee for full-time nonresidents by 30 units for colleges operating on the semester system, and 45 units for colleges operating on the quarter system. The same per-unit rate shall be charged all nonresident students attending any terms or sessions maintained by the community college outside of the instructional year. The rate charged shall be the rate established for the fiscal year in which the term or session ends.

A district shall report annually to the Board of Governors of the California Community Colleges the number of nonresidents enrolled for six units or less, the number of nonresidents enrolled for more than six units, and the total amount of fees collected from each category.

The provisions of this section which require a mandatory fee for nonresidents shall not apply to any district which borders on another state and has fewer than 500 average daily attendance, except that the provisions of this section which require annual reports to be filed with the Board of Governors of the California Community Colleges on the number of such students enrolled shall apply to such districts in the same manner as to any other district.

SEC. 294. Section 76143 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

76143. For purposes of the nonresident tuition fee, a community college district shall disregard the time during which a student living in the district resided outside the state, if:

(1) The change of residence to a place outside the state was due to a job transfer and was made at the request of the employer of the student or the employer of the student's spouse or, in the case of a student who resided with, and was a dependent of, the student's parents, the change of residence was made at the request of an employer of either of the student's parents.

(2) Such absence from the state was for a period of not more than four years.

(3) At the time of application for admission to a college maintained by the district, the student would qualify as a resident if the period of the student's absence from the state was disregarded.

A nonresident tuition fee shall not be charged to a student who meets each of the conditions specified in subdivisions (1) to (3),

inclusive.

SEC. 295. Section 76210 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

76210. As used in this chapter:

(a) "Student record" means any item of information directly related to an identifiable student, other than directory information, which is maintained by a community college or required to be maintained by any employee in the performance of his duties whether recorded by handwriting, print, tapes, film, microfilm or other means.

"Student record" shall not mean confidential letters and statements of recommendations maintained by a community college on or before January 1, 1975, provided that such letters or statements are not used for purposes other than those for which they were specifically intended, nor shall it mean information provided by a student's parents relating to applications for financial aid or scholarships, nor shall it mean information related to a student compiled by a community college officer or employee which remains in the sole possession of the maker and is not accessible or revealed to any other person except a substitute. For purposes of this subdivision, "substitute" shall mean a person who performs on a temporary basis the duties of the individual who made the notes and does not refer to a person who permanently succeeds the maker of the notes in his or her position.

"Student record" shall also not include information related to a student created or maintained by a physician, psychiatrist, psychologist, or other recognized professional or paraprofessional acting in his professional or paraprofessional capacity, or assisting in that capacity, and which are created, maintained, or used only in connection with the provision of treatment to the student and is not available to anyone other than persons providing such treatment; provided, however, that such a record may be personally reviewed by a physician or other appropriate professional of the student's choice.

(b) "Student record" shall not mean information maintained by a community college law enforcement unit if the personnel of the unit do not have access to student records pursuant to Section 76243, if the information maintained by the unit is kept apart from information maintained pursuant to subdivision (a) of this section, if the information is maintained solely for law enforcement purposes, and if the information is not made available to persons other than law enforcement officials of the same jurisdiction, nor shall it mean information maintained in the normal course of business pertaining to persons who are employed by a community college, provided that such information relates exclusively to such person in that person's capacity as an employee and is not available for use for any other purpose.

(c) "Directory information" means one or more of the following items: student's name, address, telephone number, date and place of

birth, major field of study, class schedule, participation in officially recognized activities and sports, weight and height of members of athletic teams, dates of attendance, degrees and awards received, the most recent previous public or private school attended by the student, and any other information authorized in writing by the student.

(d) "Access" means a personal inspection and review of a record or an accurate copy of a record, or an oral description or communication of a record or an accurate copy of a record, and a request to release a copy of any record.

SEC. 296. Section 76221 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

76221. Community college districts shall notify students in writing of their rights under this chapter upon the date of the student's enrollment next following its effective date, and at least annually thereafter. The notice shall take a form which reasonably notifies students of the availability of the following specific information:

(a) The types of student records and information contained therein which are directly related to students and maintained by the institution.

(b) The official responsible for the maintenance of each type of record.

(c) The location of the log or record required to be maintained pursuant to Section 76210.

(d) The criteria to be used by the institution in defining "officials and employees" and in determining "legitimate educational interest" as used in Section 76222 and subdivision (a) of Section 76243.

(e) The policies of the institution for reviewing and expunging those records.

(f) The right of the student to have access to his records.

(g) The procedures for challenging the content of student records.

(h) The cost if any which will be charged for reproducing copies of records.

(i) The categories of information which the institution has designated as directory information pursuant to Section 76240.

(j) Any other rights and requirements set forth in this chapter and the right of the student to file a complaint with the United States Department of Health, Education, and Welfare concerning an alleged failure by the institution to comply with the provisions of Section 438 of the General Education Provisions Act (20 U.S.C.A. 1232g).

SEC. 297. Section 76223 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

76223. Any community college may make a reasonable charge in an amount not to exceed the actual cost of furnishing copies of any student record; provided, however, that no charge shall be made for furnishing (1) up to two transcripts of students' records or (2) up to two verifications of various records of students. No charge may be

made to search for or to retrieve any student record.

SEC. 298. Section 76225 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

76225. Whenever a student transfers from one community college or public or private institution of postsecondary education to another within the state, appropriate records or a copy thereof shall be transferred by the former community college, college or university, or school or school district upon a request from the student; provided, however, that the community college, college or university, or school or school district from which the student is transferring may notify the student that the student's records will be transferred upon payment by the student of all fees and charges due the community college, college or university, or school or school district. Any community college, college or university, or school or school district making such a transfer of such records shall notify the student of his right to receive a copy of the record and his right to a hearing to challenge the content of the record.

The Board of Governors of the California Community Colleges may adopt rules and regulations concerning transfer of such records to, from, or between schools under its jurisdiction.

SEC. 299. Section 76230 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

76230. Any currently enrolled or former student has a right to access to any and all student records relating to him maintained by community colleges. The editing or withholding of any such records, except as provided for in this chapter, is prohibited.

Each community college district shall adopt procedures for the granting of requests by students to inspect and review records during regular school hours, provided that access shall be granted no later than 15 working days following the date of the request. Procedures shall include notification of the location of all official student records if not centrally located and the providing of qualified personnel to interpret records where appropriate.

SEC. 300. Section 76231 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

76231. A student may waive his right to access to student records devoted solely to confidential recommendations for career placement or postsecondary admission; provided that such recommendations are used solely for the purpose for which they were specifically intended, and provided, that the student shall be notified, upon request, of the names of all persons making confidential recommendations. Such waivers may not be required as a condition for admission to, receipt of financial aid from, or receipt of any other services or benefits from a community college.

SEC. 301. Section 76232 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

76232. (a) Any student may file a written request with the chief administrative officer of a community college district to correct or remove information recorded in his student records which he alleges

to be: (1) inaccurate; (2) an unsubstantiated personal conclusion or inference; (3) a conclusion or inference outside of the observer's area of competence; or (4) not based on the personal observation of a named person with the time and place of the observation noted.

(b) Within 30 days of receipt of such request, the chief administrative officer or his designee shall meet with the student and the certificated employee who recorded the information in question, if any, and if such employee is presently employed by the community college district. The chief administrative officer or his designee shall then sustain or deny the allegations.

If the chief administrative officer or his designee sustains any or all of the allegations, he shall order the correction or removal and destruction of the information.

If the chief administrative officer or his designee denies any or all of the allegations and refuses to order the correction or removal of the information, the student may, within 30 days of the refusal, appeal the decision in writing to the governing board of the community college district.

(c) Within 30 days of receipt of such an appeal, the governing board shall, in closed session with the student and the certificated employee who recorded the information in question, if any, and if such employee is presently employed by the community college district, determine whether to sustain or deny the allegations.

If the governing board sustains any or all of the allegations, it shall order the chief administrative officer or his designee to immediately correct or remove and destroy the information.

The decision of the governing board shall be final.

Records of these administrative proceeding shall be maintained in a confidential manner and shall be destroyed one year after the decision of the governing board, unless the student initiates legal proceedings relative to the disputed information within the prescribed period.

(d) If the final decision of the governing board is unfavorable to the student, or if the student accepts an unfavorable decision by the chief administrative officer, the student shall have the right to submit a written statement of his objections to the information. This statement shall become a part of the student's record until such time as the information objected to is corrected or removed.

SEC. 302. Section 76240 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

76240. Community college districts shall adopt a policy identifying those categories of directory information as defined in subdivision (c) of Section 76210 which may be released. The names and addresses of students may be provided to a private school or college operating under the provisions of Sections 8080–8093, 33190–33192, 60670–60672, 94000–94409, provided, however, that no such private school or college shall use such information for other than purposes directly related to the academic or professional goals of the institution, and provided further that any violation of this provision

is a misdemeanor, punishable by a fine of not to exceed two thousand five hundred dollars ($2,500), and, in addition, the privilege of the school or college to receive such information shall be suspended for a period of two years from the time of discovery of the misuse of such information.

Any community college district may, in its discretion, limit or deny the release of specific categories of directory information to any public or private nonprofit organization based upon a determination of the best interests of students.

Directory information may be released according to local policy as to any student currently attending the community college, provided that public notice is given at least annually of the categories of information which the district plans to release and of the recipients. No directory information shall be released regarding any student when the student has notified the school that such information shall not be released.

SEC. 303. Section 76242 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

76242. A community college district may permit access to student records to any person for whom the student has executed written consent specifying the records to be released and identifying the party or class of parties to whom the records may be released. The recipient must be notified that the transmission of the information to others without the written consent of the student is prohibited. The consent notice shall be permanently kept with the record file.

SEC. 304. Section 76243 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

76243. A community college or community college district is not authorized to permit access to student records to any person without the written consent of the student or under judicial order except that access may be permitted to the following:

(a) Officials and employees of the community college; provided, that any such person has a legitimate educational interest to inspect a record.

(b) Authorized representatives of the Comptroller General of the United States, the Secretary of Health, Education, and Welfare, an administrative head of an education agency, state education officials, or their respective designees or the United States Office of Civil Rights, where such information is necessary to audit or evaluate a state or federally supported education program or pursuant to a federal or state law, provided that except when collection of personally identifiable information is specifically authorized by federal law, any data collected by such officials shall be protected in a manner which will not permit the personal identification of students or their parents by other than those officials, and such personally identifiable data shall be destroyed when no longer needed for such audit, evaluation, and enforcement of federal legal requirements.

(c) Other state and local officials or authorities to the extent that information is specifically required to be reported pursuant to state

law adopted prior to November 19, 1974.

(d) Officials of other public or private schools or school systems, including local, county, or state correctional facilities where educational programs are provided, where the student seeks or intends to enroll, or is directed to enroll, subject to the rights of students as provided in Section 76225.

(e) Agencies or organizations in connection with a student's application for, or receipt of, financial aid; provided, that information permitting the personal identification of students may be disclosed only as may be necessary for such purposes as to determine the eligibility of the student for financial aid, to determine the amount of the financial aid, to determine the conditions which will be imposed regarding the financial aid, or to enforce the terms or conditions of the financial aid.

(f) Accrediting organizations in order to carry out their accrediting functions.

(g) Organizations conducting studies for, or on behalf of, educational agencies or institutions for the purpose of developing, validating, or administering predictive tests, administering student aid programs, and improving instruction, if such studies are conducted in such a manner as will not permit the personal identification of students or their parents by persons other than representatives of such organizations and such information will be destroyed when no longer needed for the purpose for which it is conducted.

(h) Appropriate persons in connection with an emergency if the knowledge of such information is necessary to protect the health or safety of a student or other persons, or subject to such regulations as may be issued by the Secretary of Health, Education, and Welfare.

No person, persons, agency or organization permitted access to student records pursuant to this section shall permit access to any information obtained from such records by any other person, persons, agency or organization without the written consent of the student; provided, however, that this paragraph shall not be construed as to require prior student consent when information obtained pursuant to this section is shared with other persons within the educational institution, agency or organization obtaining access, so long as such persons have a legitimate educational interest in the information.

SEC. 305. Section 76244 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

76244. Information concerning a student shall be furnished in compliance with a court order. The community college district shall make a reasonable effort to notify the student in advance of such compliance if lawfully possible within the requirements of the judicial order.

SEC. 306. Section 78031 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

78031. (a) An interdistrict attendance agreement may be entered

into between two districts specifying the terms and conditions under which district residents of one district may attend a community college in the other district. The agreement may be for any period agreed upon but for not less than one year.

(b) Tuition charges shall be not less than the apportionments provided by the state to the district of attendance because of attendance of students under the agreement nor shall such charges be more than would be computed as specified in subdivision (a) of Section 2100.

(c) A charge for use of buildings and equipment in the amount of three hundred dollars ($300) for 1976–77, two hundred dollars ($200) for 1977–78, and one hundred dollars ($100) for 1978–79 may be added to the amount computed pursuant to subdivision (a) of Section 2100. No charge may be made after 1978–79.

(d) If either district is within the first three years of its existence and has not acquired facilities from a preceding district, the charge for use of buildings and equipment specified in subdivision (a) shall not be charged to either district.

Interdistrict agreements calling for the payment of charges for the use of buildings and equipment which were in effect prior to July 1, 1976, may remain in effect, and may be renegotiated.

SEC. 307. Section 78247 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

78247. The governing board of any community college district may provide for the establishment and supervision of work-experience education programs in areas outside the district.

SEC. 308. Section 78405 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

78405. The board of governors shall establish standards including standards of attendance, curriculum, administration, and guidance and counseling service for such classes as a basis for the several apportionments of state funds provided herein for the support of such classes.

The chancellor shall prepare and distribute by April 1, 1977, and thereafter maintain, a detailed handbook for use by the local educational agencies and regional councils established pursuant to Section 8020. The handbook shall contain course approval criteria, implementation plans for adminstrative regulations, and procedures for securing course and program approvals.

SEC. 309. Section 78461 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

78461. Units of average daily attendance generated by apprentices enrolled in any classes maintained by community colleges pursuant to Section 3074 of the Labor Code shall be reported separately.

SEC. 310. Section 78462 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

78462. Except as specified in this section, an adult enrolled in a class for adults may be required by the governing board of the district maintaining the class to pay a fee for such class. No charge of any kind

shall be made for a class in English and citizenship for foreigners or a class in an elementary subject. No fee charge shall be made for a class designated by the governing board as a class for which high school credit is granted when such class is taken by a person who does not hold a high school diploma. The total of the fees required and revenues derived from average daily attendance shall not exceed the estimated cost of all such classes maintained.

SEC. 311. Section 78601 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

78601. (a) The education of educationally handicapped students who are diagnosed as being autistic shall be provided all eligible students between 6 and 21 years of age, and may be provided eligible students between the ages of 3 and 6 years, in the manner set forth in this chapter.

(b) The governing board of any community college district which has an average daily attendance of 8,000 or more shall provide for the education, in special education classes or programs, of autistic students residing in the community college district who are not in attendance upon other special education classes or programs.

(c) The county superintendent of schools shall provide special education classes or programs for autistic students who reside in the county and in elementary or unified school districts which have an average daily attendance of less than 8,001 in the elementary schools of the district, or who reside in the county and in a unified or high school district which has an average daily attendance of less than 8,001. The classes and programs shall be established at centrally located places, and the county superintendent of schools shall provide transportation to the students attending them. A county superintendent of schools, required to provide for the education in special schools or classes of autistic students residing in the district who come within the provisions of this section, may with the approval of the board of governors enter into an agreement with an elementary, unified, or high school district for the latter to provide for the education of such autistic students.

(d) The board of governors shall adopt rules and regulations which shall prescribe standards for special education programs for autistic students. Such rules and regulations shall ensure that no county has more than four autistic students enrolled in special education classes or program for autistic students per 10,000 average daily attendance. The board of governors may waive the number of autistic students allowed to be served within each county if he determines that such waiver is necessary to meet the exceptional needs of autistic students.

SEC. 312. Section 78932 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

78932. No provision of this chapter shall be construed as prohibiting any district board, or any public library, from ordering and purchasing from their own funds such instructional materials as they may require, including state-listed materials at a price equal to

that computed pursuant to Section 60243.

SEC. 313. Section 79020 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

79020. Except as otherwise provided the public schools shall continue in session or close on specified holidays as follows:

(a) The public schools shall close on January 1st, February 12th known as "Lincoln Day," the third Monday in February known as "Washington Day," the last Monday in May known as "Memorial Day," July 4th, the first Monday in September known as "Labor Day," November 11th known as "Veterans Day," that Thursday in November proclaimed by the President as "Thanksgiving Day," and December 25th.

(b) The Governor in appointing any other day for a public fast, thanksgiving, or holiday may provide whether the public schools shall close on the day. If the Governor does not provide whether the public schools shall close, they shall continue in session on all special or limited holidays appointed by the Governor, but shall close on all other days appointed by the Governor for a public fast, thanksgiving, or holiday.

(c) The public schools shall close on every day appointed by the President as a public fast, thanksgiving, or holiday, unless it is a special or limited holiday.

(d) The public schools shall continue in session on all legal holidays other than those designated by or pursuant to this section and shall hold proper exercises commemorating the day.

(e) When any of the holidays on which the schools would be closed fall on Sunday, the public schools shall close on the Monday following.

(f) When any of the holidays on which the schools would be closed fall on Saturday, the public schools shall close on the preceding Friday, and such Friday shall be declared a state holiday.

(g) If any holiday on which the public schools are required to close pursuant to subdivision (a) occurs under federal law on a date different than the date specified in subdivision (a), the governing board of any community college district may close the public schools of the district on the date recognized by federal law and maintain classes on the date specified in subdivision (a).

(h) Nothing in this section is to be interpreted as authorizing a community college district governing board to maintain community colleges in its district for a lesser number of days during the school year than the minimum established by law.

SEC. 314. Section 79150 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

79150. The office of the Chancellor of the California Community Colleges shall conduct a pilot program of up to five years' duration in cooperative education for not more than five community college districts. For the purposes of this act, "cooperative education" means on-the-job experience directly related to the student's educational goals. Cooperative education requires the supervision of an

appropriately credentialed faculty member and is not limited to vocational education.

In order to enroll in a cooperative education program, a student must have earned at least 12 semester units or 18 quarter units at the community college at which he seeks to enroll in the program.

A student enrolled in a cooperative education program may not receive more than one semester unit for each five hours of fieldwork per week or one-quarter unit for each 3⅓ hours of fieldwork per week.

No student may receive more than 16 units of semester credit or 24 units of quarter credit for cooperative education classes. No student may enroll in a cooperative education program for more than eight units per semester or 12 units per quarter.

No student may enroll jointly in a cooperative education program and a work-experience education program. Any credit for work-experience education which had been earned by a student prior to his enrollment in a cooperative education program shall be deducted from the maximum number of units for cooperative education allowable under the fourth paragraph of this section.

Average daily attendance in cooperative education shall be computed pursuant to Section 84530. The Chancellor of the California Community Colleges shall approve cooperative education programs which comply with existing regulations for new educational program approval and the other provisions of this section.

Followup evaluations and recommendations for new cooperative education programs, based upon the findings of the five-year study, shall be made by the office of the Chancellor of the California Community Colleges.

SEC. 315. Section 81033 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

81033. The governing board of a community college district, prior to acquiring any site on which it proposes to construct any school building as defined in Section 81131 shall have the site, or sites, under consideration investigated by competent personnel to ensure that the final site selection is determined by an evaluation of all factors affecting the public interest and is not limited to selection on the basis of raw land cost only. If the prospective school site is located within the boundaries of any special studies zone or within an area designated as geologically hazardous in the seismic safety element of the local general plan as provided in subdivision (f) of Section 65302 of the Government Code, the investigation shall include such geological and soil engineering studies by competent personnel as are needed to provide an assessment of the nature of the site and potential for earthquake or other geological hazard damage.

The geological and soil engineering studies of the site shall be of such a nature as will preclude siting of a school in any location where the geological and site characteristics are such that the construction effort required to make the school building safe for occupancy is

economically unfeasible. No such studies need be made if the site or sites under consideration have been the subject of adequate prior studies. The evaluation shall also include location of the site with respect to population, transportation, water supply, waste disposal facilities, utilities, traffic hazards, surface drainage conditions, and other factors affecting the operating costs, as well as the initial costs, of the total project.

For the purposes of this article, a special studies zone is defined as one which is shown on any map, or maps, compiled by the State Geologist pursuant to the provisions of Chapter 7.5 (commencing with Section 2621) of Division 2 of the Public Resources Code. A copy of the report of each investigation conducted pursuant to this section shall be submitted to the board of governors.

SEC. 316. Section 81130 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

81130. The Department of General Services under the police power of the state shall supervise the design and construction of any school building or, if the estimated cost exceeds twenty thousand dollars ($20,000), the reconstruction or alteration of or addition to any school building, to ensure that plans and specifications comply with the rules and regulations adopted pursuant to this article and building regulations published in the State Building Standards Code, and to ensure that the work of construction has been performed in accordance with the approved plans and specifications, for the protection of life and property. Nothing in this section shall be construed to allow a community college district to perform work with its own forces in excess of the limitations set forth in Sections 81640 and 81649.

SEC. 317. Section 81133 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

81133. The Department of General Services shall pass upon and approve or reject all plans for the construction or, if the estimated cost exceeds twenty thousand dollars ($20,000), the alteration of any school building. To enable it to do so, the governing board of each community college district and any other school authority before adopting any plans for such school building shall submit the plans to the Department of General Services for approval, and shall pay the fees prescribed in this article.

Where the estimated cost of an alteration exceeds ten thousand dollars ($10,000) but does not exceed twenty thousand dollars ($20,000), a structural engineer shall examine the proposed project to determine if it is a nonstructural alteration or a structural alteration. If he determines that the project is a nonstructural alteration, he shall prepare a statement so indicating. If he determines that the project is structural, he shall prepare plans and specifications for the project and shall observe the work of construction. A copy of the engineer's report stating that the work does not affect structural elements, or a copy of the plans and specifications for structural work, as the case may be, shall be filed

with the Department of General Services.

SEC. 318. Section 81139 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

81139. As of January 1, 1978, the persons employed as inspectors of record to inspect the construction, reconstruction or alteration of any school building shall be either (a) persons who are registered as construction inspectors in the divisions in which they are to be used, as defined by Section 9101 of the Business and Professions Code or (b) persons who are regularly employed for building code enforcement by the local agency having responsibility for such inspection, and are qualified to perform such inspections under the civil service laws or regulations of such local agency.

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

SEC. 319. Section 81160 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

81160. The Legislature finds and declares as follows:

(a) By an urgency act (Stats. 1933, Ch. 59), the Legislature at the 1933 General Session established reasonable minimum standards for the design and construction of new school buildings, as now defined in Section 81131. Although it was not required that then existing school buildings incorporate these standards, it was intended by the Legislature that in the intervening years continuous progress would be made in the repair, reconstruction or replacement of such school buildings.

(b) Progress toward this end has been outstanding since 1971 as a result of state funds being made available for rehabilitating or replacing structurally unsafe school facilities.

SEC. 320. Section 81165 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

81165. "School building" as used in this article excludes any building which is used exclusively for warehouse, storage, garage, or districtwide administrative office purposes, into which pupils are not required to enter, and off-campus buildings utilized by adult schools or community colleges for voluntary adult education courses or registered apprentice courses.

"School buildings" as used in this article excludes any building owned or occupied by a unified school district, high school district,

or a county superintendent of schools which is used exclusively for adult education purposes.

If any building so excluded was not constructed in accordance with Article 7 (commencing with Section 81130) of this chapter and was not repaired, reconstructed, or replaced in accordance with this article, there shall be posted in a conspicuous place on such building a public notice stating that such building does not meet the structural standards imposed by law for earthquake safety.

SEC. 321. Section 81178 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

81178. No school building examined and found to be unsafe for school use pursuant to Section 81162 and not repaired or reconstructed in accordance with the provisions of this article, and no school building which has never met the requirements of Article 7 (commencing with Section 81130), of this chapter, shall be used as a school building for community college purposes after June 30, 1975, except as permitted by Article 15 (commencing with Section 81520) of this chapter, unless the governing board of the community college district has requested and obtained from the State Allocation Board authority for use of such building for a specific period beyond such date. Prior to requesting such authority, the governing board shall adopt a resolution declaring the board's intention to utilize the building as a school building after June 30, 1975, pending its repair, reconstruction, or replacement. The State Allocation Board shall not authorize any community college district to use such a building beyond June 30, 1975, unless it has first determined that the district has already proceeded with a plan of total repair, reconstruction or replacement in a timely manner and a contract has been let for any phase of, and work commenced on, such project. In no event shall the State Allocation Board authorize the use of such unsafe facilities for a period extending beyond the completion of the replacement facilities or beyond June 30, 1977, whichever occurs first.

For purposes of this section, "school building" does not include any portable building. Portable buildings may be used beyond June 30, 1975 to meet temporary housing needs until all repair, reconstruction or replacement of all district school buildings is complete or until June 30, 1977, whichever occurs first, provided that the governing board of the district has requested and obtained from the State Allocation Board authority for use of such portable buildings. The State Allocation Board may grant such authority only to those districts in which 20 percent or more of the schools are subject to partial or complete reconstruction pursuant to Section 81162. Any portable buildings for which authority is granted for temporary use pursuant to this section shall not be subject to the provisions of Article 7 (commencing with Section 81130) or Article 8 (commencing with Section 81160) of this chapter during the period of such authorized use.

SEC. 322. Section 81180 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

81180. The governing board of a community college district may undertake corrective measures relating to earthquake safety recommended to the governing board pursuant to Section 81162 in connection with any school building under the jurisdiction of the governing board without compliance with the procedures otherwise prescribed by Section 81167.

The maximum rate of tax of any community college district for the fiscal years 1974–75 to 1976–77, inclusive, is hereby increased by such amount as will produce the amount necessary to have any school buildings examined as required by Section 81162 and to effect the corrective structural repairs, reconstruction or replacement relating to earthquake safety recommended pursuant to Section 81162, as shown by the budget of the district for such school year as finally adopted by the governing board of the district, less any unencumbered balances remaining at the end of the preceding school year derived from revenue from the increase in the rate of tax provided by this section. The funds provided by such increase in the tax rate may be used to provide for the housing of students temporarily displaced by the repair, reconstruction, or replacement of school buildings required in order to meet earthquake safety standards.

The increase provided by this section shall not exceed a total increase of ten cents ($0.10) for each one hundred dollars ($100) of the assessed valuation of property within the district in each fiscal year, unless additional funds are specifically required by the district to match the state funds provided pursuant to Article 9 (commencing with Section 16310) of Chapter 8 of Part 10 of Division 1 of Title 1. If such additional funds are required by the district, the maximum increase in tax rate provided by this section may be increased by not to exceed an additional ten cents ($0.10) for each one hundred dollars ($100) of assessed valuation of property within the district in each fiscal year such additional funds are required pursuant to Article 9, prior to and including the 1973–74 fiscal year. Such additional tax money may be levied in the 1974–75 fiscal year only if the State Allocation Board has first approved an application of the district pursuant to Article 9. After the 1974–75 fiscal year, any district which has levied the entire twenty-cent ($0.20) amount permitted by this section in the preceding fiscal year and has deposited in the State School Building Fund of the district, the proceeds derived therefrom as matching funds in an application or applications under Article 9 may levy the same twenty-cent ($0.20) tax or so much thereof as necessary for matching funds for an application or applications under Article 9 in any succeeding fiscal year, including, but not beyond, the 1976–77 fiscal year.

This section shall remain operative only until July 1, 1978, and as of such date is repealed. This section shall remain in effect until such date regardless of the repeal or expiration of former Section 15517.

Notwithstanding the provisions of this section, the governing board shall comply with the provisions of Section 81167 whenever

such compliance is necessary to continue the program of corrective structural repairs, reconstruction, or replacement required pursuant to the provisions of this article.

SEC. 323. Section 81350 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

81350. The governing board of the community college district shall obtain the general prevailing rate of per diem wages from the Director of the Department of Industrial Relations for each craft, classification or type of workman needed for the construction of the building and shall specify in the resolution and in the notice, required by Section 81344, or in the resolution required by Section 81345 and in the lease or agreement made pursuant to this article, what the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in the locality is for each craft, classification or type of workmen needed for the construction of the building. The holidays upon which such rate shall be paid need not be specified by the governing board, but shall be all holidays recognized in the collective-bargaining agreement applicable to the particular craft, classification or type of workmen employed on the project.

Any agreement or lease entered into pursuant to this article shall require that such general prevailing rates will be paid. It shall also require that work performed by any workman employed upon the project in excess of eight hours during any one calendar day shall be permitted only upon compensation for all hours worked in excess of eight hours per day at not less than 1½ times the basic rate of pay. There may also be included in leases or agreements entered into pursuant to this article any other requirements with respect to matters related to the subject of this section which the governing board deems necessary or desirable.

SEC. 324. Section 81363.5 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

81363.5. Except as provided for in Article 9 (commencing with Section 81190) of Chapter 1 of this part, the sale or lease with an option to purchase of real property by a community college district shall be in accordance with the following priorities and procedures.

(a) First, the property shall be offered for park or recreational purposes pursuant to Article 8 (commencing with Section 54220) of Chapter 5 of Part 1 of Division 2 of Title 5 of the Government Code, in any instance in which such article is applicable.

(b) Second, the property shall be offered for sale or lease with an option to purchase, at fair market value;

(1) In writing, to the state, the Regents of the University of California, the Trustees of the California State University and Colleges, the county and city in which the property is situated, and to any public housing authority in the county in which the property is situated; and

(2) By public notice to any public district, public authority, public agency, public corporation, or any other political subdivision in this

state, to the federal government, and to nonprofit charitable corporations organized pursuant to Part 3 (commencing with Section 10200) of Division 2 of Title 1 of the Corporations Code. Public notice shall consist of at least publishing its intention to dispose of the real property in a newspaper of general circulation within the district, or if there is no such newspaper, then in any newspaper of general circulation that is regularly circulated in the district. The notice shall specify that the property is being made available to all public districts, public authorities, public agencies, and other political subdivisions or public corporations in this state, and to other nonprofit charitable corporations.

Publication of notice pursuant to this section shall be once each week for three successive weeks. Three publications in a newspaper regularly published once a week or more often, with at least five days intervening between the respective publication dates not counting such publication dates, are sufficient. The written notice required by paragraph (1) of this subdivision shall be mailed no later than the date of the second published notice.

The entity desiring to purchase or lease the property shall, within 60 days after the third publication of notice, notify the community college district of its intent to purchase or lease the property. If the entity desiring to purchase or lease the property and the district are unable to arrive at a mutually satisfactory price or lease payment during the 60-day period, the property may be disposed of as otherwise provided in this section. In the event the district receives offers from more than one entity pursuant to this subdivision, the school district governing board may, in its discretion, determine which of such offers to accept.

(c) Fourth, the property may be disposed of in any other manner authorized by law.

SEC. 325. Section 81390 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

81390. Any community college district may enter into leases and agreements relating to real property and buildings to be used jointly by the district and any private person, firm, or corporation pursuant to this article. As used in this article, "building" includes onsite and offsite facilities, utilities and improvements which as agreed upon by the parties are appropriate for the proper operation or function of the building to be occupied jointly by the district and private person, firm, or corporation. It also includes the permanent improvement of school grounds.

Any building, or portion thereof, which is used by a private person, firm, or corporation pursuant to this section shall be subject to the zoning and building code requirements of the local jurisdiction in which the building is situated.

Section 53094 of the Government Code shall not be applicable to uses of school district property or buildings authorized by this section, except in the case of property or buildings used solely for educational purposes.

SEC. 326. Section 81602 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

81602. The governing board of a community college district may, by resolution, establish a fund or funds for losses, including but not limited to, district property, any liability, and workers' compensation, in the county treasury for the purpose of covering the deductible amount under deductible types of insurance policies or losses due to noninsured perils. In the fund or funds shall be placed such sums, to be provided in the budget of the district, as will create an amount which, together with investments made from the fund or funds, will be sufficient in the judgment of the governing board to protect the district from such losses on the deductible amount under deductible types of insurance policies or losses due to noninsured perils. Nothing in this section shall be construed as prohibiting the governing board from providing protection against such losses to district property partly by means of the fund or funds and partly by means of insurance written by acceptable insurers as provided in Section 81601. A district may contract for claims adjustment and related services. The cost of such services is an appropriate charge against the appropriate fund.

The fund or funds shall be considered as separate and apart from all other funds of the district, and the balance therein shall not be considered as being part of the working cash of the district in compiling annual budgets.

Warrants shall not be drawn on or transfers made from the fund or funds so created, except to reimburse or indemnify the community college district for losses as herein specified, and only upon resolution duly adopted by the board of education.

The cash placed in the fund or funds may be invested and reinvested by the county treasurer, with the advice and consent of the governing board of the district, in securities which are legal investments for surplus county funds in this state. The income derived from such investments, together with interest earned on uninvested funds, shall be considered revenue of and be deposited in the fund.

SEC. 327. Section 81651 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

81651. The governing board of any community college district may purchase supplementary textbooks, library books, educational films, audiovisual materials, test materials, workbooks, or periodicals in any amount needed for the operation of the schools of the district without taking estimates or advertising for bids.

SEC. 328. Section 81820 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

81820. On or before November 1, 1967, the governing board of each community college district shall prepare and submit to the chancellor a plan for capital construction for community college purposes of the district for the 10-year period commencing with that date. After January 1, 1975, the plan shall reflect capital construction

for community college purposes of the district for the five-year period commencing with the next proposed year of funding. The plan shall be subject to continuing review by the governing board and each year shall be extended one year, and there shall be submitted to the chancellor, on or before the first day of February in each succeeding year, a report outlining the required modifications or changes, if any, in the plan.

The report to be submitted to the chancellor shall include the five-year construction plan and project planning guides covering projects requested for the first year of the five-year construction plan. A copy of the proposed project planning guides shall be transmitted at that time to the Department of Finance and the Joint Legislative Audit Committee for informational purposes.

SEC. 329. Section 81822 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

81822. The chancellor shall review, and evaluate the plan for capital construction submitted by the governing board of each community college district in terms of the elements of the capital construction program specified in Section 81821, and shall, on the basis of such review and evaluation, make such revision and changes therein as are appropriate, and approve the same. A similar review and evaluation of continuing five-year plans for capital construction submitted by the governing board of each district maintaining a community college shall be made on or before each succeeding first day of May. The chancellor shall, promptly after such approval, notify the governing board of each community college district of the approved form and content of the district's plan for capital construction.

SEC. 330. Section 81831 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

81831. The chancellor shall review and evaluate each proposed project with reference to the elements of the capital construction program specified in Section 81821, and if approved after review by the Board of Governors of the California Community Colleges, shall transmit the approved proposed project to the Department of Finance not later than April 1, 1968, and May 1st of each year thereafter. A proposed project not approved shall be returned to the governing board of the community college district with recommendations concerning changes deemed necessary by the chancellor.

SEC. 331. Section 81833 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

81833. A proposed project submitted by the governing board of a community college district to the chancellor pursuant to Section 81830 prior to February 1st of each year shall be finally acted upon by the chancellor pursuant to Section 81831 on or before the next succeeding first day of April 1968, and May 1st of each year thereafter. A proposed project submitted to the Department of Finance pursuant to Section 81831, shall be finally acted upon by the

department pursuant to Section 81832 on or before the first day of July 1968, and each year thereafter.

SEC. 332. Section 82321 of the Education Code, as added by Chapter 1011 of the Statutes of 1976, is amended to read:

82321. A schoolbus is defined as any motor vehicle while being used for the transportation of any school pupil at or below the 12th-grade level to and from a public or private school or to and from public or private school activities, except the following:

(a) A passenger vehicle designed for and when actually carrying not more than eight persons, including the driver, or a motortruck transporting pupils who are seated only in the passenger compartment, except any such vehicle or truck transporting two or more handicapped pupils confined to wheelchairs.

(b) A 9-passenger or 10-passenger station wagon when used for the transportation of not more than eight pupils and the driver, other than the regular transportation of pupils to and from a public or private school or the transportation of mentally retarded or physically handicapped pupils.

(c) A motor vehicle of any type carrying only members of the household of the owner thereof.

(d) A motor vehicle operated by a common carrier, or by and under exclusive jurisdiction of a publicly owned transit system, at the time it is on a scheduled run and is available to the general public.

(e) A motor vehicle operated by a common carrier, or by and under the exclusive jurisdiction of a publicly owned transit system, or by a passenger charter-party carrier and used under a contractual agreement to transport pupils to and from school activities but not used regularly to transport pupils to and from a public or private school.

Notwithstanding any other provisions of this section, the governing board of a district maintaining a community college may, by resolution, designate any motor vehicle operated by or for the district, a schoolbus within the meaning of this section, while it is being used for the transportation of any community college students to and from a public community college or to and from public community college activities. The designation shall not be effective until written notification thereof has been filed with the Superintendent of Public Instruction.

A vehicle defined as a "schoolbus" or exempt under subdivision (d) or (e) which is occupied, aside from the driver, exclusively by school pupils or exclusively by school pupils and persons accompanying them for supervisory purposes, to which the use by the general public is prohibited by the carrier under a contract or agreement with the school and which is being operated to transport pupils to and from a public or private school activity, shall be driven by a driver who possesses a valid California schoolbus driver's certificate as provided for pursuant to regulations adopted by the State Board of Education. Such regulations, however, shall not require drivers who operate such vehicles to duplicate training or

schooling that they have otherwise received which is equivalent to that required pursuant to such regulations, nor shall such regulations require drivers who operate such vehicles to take training in first aid; provided, a valid California schoolbus driver's certificate shall not entitle the bearer to drive any other vehicle than that specified in this subdivision, and such driver's certificate shall distinguish drivers who have received a schoolbus driver's certificate pursuant to such regulations.

SEC. 333. Section 82508 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

82508. The governing board of a community college district may pay in advance for postage stamps, admission tickets, permits and services provided by other governmental agencies, subscriptions to, or purchases or rentals of, newspapers, magazines, periodicals, single copies of books, films, filmstrips, recordings, and other publications, payments on leases of real property, and for the maintenance of equipment under agreements not exceeding one year for the district and the schools thereof when such action will result in a decrease in the cost to the district or which cannot be secured without payment in advance.

SEC. 334. Section 84035 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

84035. The governing board of any community college district which, on or after May 28, 1943, has funds in a special reserve fund of the district or any surplus moneys not required for the immediate necessities of the district, is hereby authorized to invest all or any part of such funds in bonds, notes, bills, certificates, debentures or other obligations, issued by the United States of America, bank time certificates, savings and loan deposits, or obligations issued by banks for cooperatives, federal land banks, federal intermediate credit banks, federal home loan banks, the Federal Home Loan Bank Board, the Tennessee Valley Authority, or in obligations, participations, or other instruments of or issued by, or fully guaranteed as to principal and interest by, the Federal National Mortgage Association; or in participation certificates evidencing beneficial interests in obligations, or in the right to receive interest and principal collections therefrom, which obligations have been subjected by one or more government agencies to a trust or trusts for which any executive department, agency, or instrumentality of the United States (or the head thereof) has been named to act as trustee.

Any bonds, notes, bills or certificates, debentures or other obligations, so purchased may be sold and the proceeds reinvested in similar bonds, notes, bills or certificates, debentures or other obligations, of the United States of America, its agencies, or its instrumentalities, or placed in the county treasury for credit to the fund of the district from which purchased. This section shall not be construed as in any way limiting or modifying the application of any other law providing for or authorizing the investment of any funds

of a community college district. Notwithstanding any other provision of law, interest earned on funds representing the proceeds of bonds of the district shall be deposited and retained in the interest and sinking fund of the district to meet the principal and interest falling due on such bonds.

SEC. 334.5. Section 84040 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

84040. Not later than the first day of May of each fiscal year each county superintendent of schools shall provide for an audit of all funds under his jurisdiction and control and the governing board of each community college district shall either provide for an audit of the books and accounts of the district or make arrangements with the county superintendent of schools having jurisdiction over the district to provide for such auditing. In the event the governing board of a community college district has not provided for an audit of the books and accounts of the district by April 1st, the county superintendent of schools having jurisdiction over the district shall provide for the audit.

Each audit shall include all funds of the district including the student body and cafeteria funds and accounts and any other funds under the control or jurisdiction of the district.

The cost of the audits provided for by the county superintendent of schools shall be paid from the county school service fund and the county superintendent of schools shall transfer the pro rata share of the cost chargeable to each district from district funds.

The cost of the audit provided for by a governing board shall be paid from district funds. The audit of the funds under the jurisdiction and control of the county superintendent of schools shall be paid from the county school service fund.

The audits shall be made by a certified public accountant or a public accountant, licensed by the State Board of Accountancy. Not later than November 15th, a report of each audit for the preceding fiscal year shall be filed with the county clerk and the county superintendent of schools of the county in which the district is located, the board of governors and the Department of Finance. The submission date may be extended to, but not later than, December 31 for justifiable cause upon written request by the auditor and approval by the county superintendent of schools. The board of governors shall make any adjustments necessary in future apportionments of state funds, to correct any discrepancies revealed by such audit reports under the provisions of Section 84330.

Each county superintendent of schools shall be responsible for the correction of any discrepancies revealed by audit reports issued pursuant to this section which do not affect state funds and are not corrected by Section 84330 when the discrepancies affect any funds under his control or the control of any district within his jurisdiction.

If a governing board or county superintendent of schools fails or is unable to make satisfactory arrangements for audit pursuant to this section, the Department of Finance may make arrangements for the

audit and the cost of such audit shall be paid from district funds or the county school service fund as the case may be.

The Department of Finance with the cooperation of the board of governors shall prescribe the statements and other information to be included in the audit reports filed with the state. The Department of Finance may make such audits, surveys and reports, and may develop suggested procedures for carrying out the purposes of this section, as in the judgment of the department will serve the best interests of the state.

Nothing in this section shall be considered as authorizing examination into or report on the curriculum used or provided for in any community college district.

SEC. 335. Section 84201 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

84201. Any state department, board, or agency which allocates funds to any community college district on the basis of the assessed valuation of property within the district, or which makes any computation on this basis for school building fund repayment purposes, shall average the factor certified for the current year under Section 84200 for the local roll of the county in which the district is located with the factors so certified for the two immediately preceding years. The department, board, or agency shall then modify that part of the valuation of the district shown on the local roll by application of this three-year-average factor carried to three decimal places. If a district is located in more than one county, this modification shall be made by applying the average factor appropriate for the assessed value of the property upon the local roll of each county within which the district is located. If the factor for the current year is not provided to the county superintendent of schools by the fifth working day in August, the preliminary factor may be used in its place for determining the average factor to be used to modify the locally assessed valuation of a school district for allocating equalization aid, and for computing loan repayments to the state.

SEC. 336. Section 84301 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

84301. The amount transferred to Section B of the State School Fund pursuant to subdivision (b) of Section 14030 shall be expended in accordance with the following schedule:

(a) Four hundred twenty-one dollars and eighty-five cents ($421.85) multiplied by the total average daily attendance credited to community college districts during the preceding fiscal year for basic aid and equalization aid to be apportioned to community college districts on account of average daily attendance. This amount shall be increased by the amount necessary to equalize the total expenditures from this section to the transfers from the General Fund to the State School Fund required by subdivisions (b), (c), (d), and (e) of Section 14020.

(b) Twelve dollars and nineteen cents ($12.19) multiplied by the

average daily attendance during the preceding school year credited for purposes of state apportionments to all community college districts for the purpose of Article 11 (commencing with Section 84850) of Chapter 5 of this part.

SEC. 337. Section 84322 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

84322. The chancellor shall on or before February 20th of each year apportion to each community college district, the total amounts allowed to them under Sections 84760, 84770, 84780, 84781, 84817, 84820, 84832, 84834, 84835, 84836, 84838, and 84850. This apportionment shall be called the first principal apportionment.

SEC. 338. Section 84324 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

84324. The chancellor shall on or before June 25th of each year apportion to each community college district, the total amounts allowed to them under Sections 84760, 84770, 84780, 84781, 84817, 84820, 84832, 84834, 84835, 84836, 84838, and 84850. This apportionment shall be called the second principal apportionment.

SEC. 339. Section 84327 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

84327. The chancellor shall withhold from the apportionment to a community college district, as a part of the first principal apportionment and second principal apportionment, the amount allowed the district for the average daily attendance in grades 13 and 14 by reason of the operation of Sections 84721 and 84726 and Article 4.5 (commencing with Section 84762) of Chapter 5 of this part of students residing in the district who were in attendance at a community college in another district. The amount withheld per unit of average daily attendance shall be determined by dividing the total amount of basic state aid and state equalization aid computed for the district of residence of such students by the total resident average daily attendance of the district.

The chancellor shall add the amount withheld to the apportionment required to be made to the community college district maintaining the community college at which the students were in attendance.

SEC. 340. Section 84362 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

84362. For purposes of this section:

(a) "Salaries of classroom instructors" and "instructors" shall have the same meaning as prescribed by Section 84031 provided, however, that the cost of all health and welfare benefits provided to the instructors by the community college district shall be included within the meaning of salaries of classroom instructors.

(b) "Current expense of education" means the gross total expended (not reduced by estimated income or estimated federal and state apportionments) for the purposes classified in the final budget of a district (except one which, during the preceding fiscal year, had less than 101 units of average daily attendance) submitted

to and approved by the county superintendent of schools pursuant to Section 85023 for certificated salaries other than certificated salaries for student transportation, food services, and community services; classified salaries other than classified salaries for student transportation, food services, and community services; employee benefits other than employee benefits for student transportation personnel, food services personnel, and community services personnel; books, supplies, and equipment replacement other than for student transportation and food services; and community services, contracted services, and other operating expenses other than for student transportation, food services, and community services. "Current expense of education," for purposes of this section shall not include those expenditures classified as sites, buildings, books, and media and new equipment (object of expenditure 6000 of the Accounting Manual for California Community Colleges), the amount expended from categorical aid received from the federal or state government which funds were granted for expenditures in a program not incurring any instructor salary expenditures or requiring disbursement of the funds without regard to the requirements of this section, or expenditures for facility acquisition and construction; and shall not include the amount expended pursuant to any lease agreement for plant and equipment or the amount expended from funds received from the federal government pursuant to the "Economic Opportunity Act of 1964" or any extension of such act of Congress or the amount expended by a community college from state or federal funds received by the community college for grants to community college students or for the employment of community college students.

There shall be expended during each fiscal year for payment of salaries of classroom instructors by a community college district, fifty percent (50%) of the district's current expense of education.

If the board of governors determines that a district has not expended the applicable percentage of current expense of education for the payment of salaries of classroom instructors during the preceding fiscal year, the board shall, in apportionments made to the district from the State School Fund after April 15 of the current fiscal year, designate an amount of such apportionment or apportionments equal to the apparent deficiency in district expenditures. Any amount so designated by the board of governors shall be deposited in the county treasury to the credit of the community college district, but shall be unavailable for expenditure by the district pending the determination to be made by the board of governors on any application for exemption which may be submitted to the board of governors. In the event it appears to the governing board of a community college district that the application of the preceding paragraphs of this section during a fiscal year results in serious hardship to the district, or in the payment of salaries of classroom instructors in excess of the salaries of classroom instructors paid by other districts of comparable type and functioning under

comparable conditions, the governing board may, with the written approval of the county superintendent of schools having jurisdiction over the district apply to the board of governors in writing not later than September 15th of the succeeding fiscal year for exemption from the requirements of the preceding paragraphs of this section for the fiscal year on account of which the application is made. Upon receipt of such application, duly approved, the board of governors shall grant the district exemption for any amount that is less than one thousand dollars ($1,000), and if the amount is one thousand dollars ($1,000), or greater may grant the district exemption, to the extent deemed necessary by him, from such requirements for the fiscal year on account of which the application is made. If such exemption is granted, the designated moneys shall be immediately available for expenditure by the community college district governing board. If no application for exemption is made or exemption is denied, the board of governors shall order the designated amount or amount not exempted to be added to the amounts to be expended for salaries of classroom instructors during the next fiscal year.

The board of governors shall enforce the requirements prescribed by this section, and may adopt necessary rules and regulations to that end. It may require the submission during the school year, by community college district governing boards and county superintendents of schools, of such reports and information as may be necessary to carry out the provisions of this section.

SEC. 341. Section 34C of this act shall become operative on July 1, 1977.

SEC. 342. Section 84520 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

84520. The units of average daily attendance for apportionment purposes of regularly enrolled students of a community college district during the academic year, as defined in Section 71027, and subject to the provisions of Section 78452 shall be computed by multiplying the weekly student contact hours of enrollment as recorded for the census day or days each semester or quarter by statewide factors heretofore established by the board of governors, subject to review by the Department of Finance. The census day shall be Monday of each of two census weeks of five or six consecutive days of regularly scheduled classes each term or session as approved by the board of governors.

Attendance of such students enrolled in classes conducted in summer sessions, as distinct from summer quarters, of four weeks or more shall be counted in the computation of average daily attendance for apportionment purposes under the provisions of this section using the following formula: Multiply the sum of the weekly student contact hours of enrollment in each class during the census week of each class of the summer session by the number of scheduled weeks for each class, multiply the product so derived by the statewide factors established by the board of governors, subject to review by the Department of Finance, and divide by 525. The census

day shall be Monday of the second week. For classes of less than four weeks, the units of average daily attendance shall be computed by dividing the total actual class hours of attendance by 525.

SEC. 343. Section 84521 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

84521. For the purposes of this section a short-term class, exclusive of Sections 84500 and 84530, is any class scheduled for less than a full quarter, semester, or other sessions as approved by the Chancellor of the California Community Colleges to meet the requirements of Section 84370.

Notwithstanding Section 84520, units of average daily attendance of students enrolled in credit and noncredit short-term classes qualifying for a state apportionment in the 1974–75, 1975–76, 1976–77, and 1977–78 college years shall be computed by dividing actual class hours of attendance by 525.

This section shall remain in effect only until July 1, 1978, and is repealed as of that date.

SEC. 344. Section 84522 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

84522. The board of governors shall, with the approval of the Department of Finance, determine two census weeks for each term of the regular academic year, and a single census week for summer sessions.

The board of governors, after appropriate study, shall develop a drop date for reporting students in active attendance which shall be no later than the day prior to the beginning of the second census week in regular academic terms; and such census weeks shall be used for all apportionment purposes for the fiscal year beginning July 1, 1975, and subsequent fiscal years.

In its study, the board of governors shall consider the needs of students, most particularly those who are unable to complete a term due to illness or other extenuating circumstances, while at the same time making the drop date meaningful to the measurement of average daily attendance.

In implementing the intent of this section, the board of governors shall insure that local governing boards maintain sufficient administrative flexibility to provide adequately for the academic needs of students.

Beginning with the fiscal year 1975–76, new census week or weeks factors shall be used for all computations of state apportionment.

The chancellor's office shall study and test the validity of such factors, and periodically the board of governors may make such adjustments as are necessary and as are agreed to by the Department of Finance.

SEC. 345. Section 84526 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

84526. The attendance of all students not residents of a community college district, including adults as defined by Section 78460, enrolled in regular 13th- and 14th-grade courses during the academic year

shall be kept separately from all other attendance and the units of average daily attendance for such students and adults shall be computed on an individual basis in the applicable manner prescribed in Section 84520 or Section 84524.5, except that for adults the factor shall be adjusted as required in Section 84524.

The units of average daily attendance of students who are not residents of the community college district enrolled in summer schools and classes for adults shall be kept separately from all other attendance and be computed on an individual basis in the applicable manner prescribed in Section 84520 or Section 84524.5 and Section 84525, as appropriate.

SEC. 346. Section 84528 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

84528. The total units of average daily attendance in the community colleges of a district shall be the total of units of average daily attendance computed under Sections 84520 and 84524.5.

SEC. 347. Section 84533 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

84533. The attendance of a community college student shall be recorded and reported separately if both that portion of the district of which he is a resident and that portion of the district in which he attends a community college are part of a cooperative vocational area and if the following conditions are satisfied:

(a) The community college offered vocational programs under a cooperative agreement with other community college districts within the area during the preceding fiscal year, and

(b) The student is enrolled in a cooperative vocational program in the community college which he attends which is not offered by a community college maintained by the community college district of which he is a resident, and all the community college districts which are a part of the applicable cooperative vocational area have agreed that the provisions of this section shall be applicable in that vocational area, or

(c) The student is enrolled in a vocational program in the community college which he attends, which program is offered, but is not available to him, in a community college maintained by the community college district of which he is a resident; and the district of which he is a resident and the district in which he is attending a community college have agreed that the provisions of this section shall be applicable.

SEC. 348. Section 84701 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

84701. For the purposes of this chapter, the governing board of each community college district shall report to the Chancellor of the California Community Colleges during each fiscal year the average daily attendance of the district for all full school months during (1) the period between July 1st and December 31st, inclusive, to be known as the "first period" report for the first principal apportionment, and (2) the period between July 1st and April 15th,

inclusive, to be known as the "second period" report for the second principal apportionment. If the average daily attendance in the regular day schools of a district for the period of time between July 1 and June 30 is greater or lesser than the average daily attendance in the regular day schools reported for the second period report, the appropriate increases and decreases in the several categories of attendance for which separate foundation programs are required to be computed shall be recomputed on the basis of the foundation program and assessed valuation of the district of the fiscal year in which such increases and decreases in average daily attendance were applicable and the appropriate increases and decreases in apportionments shall be added or withheld in the next succeeding fiscal year pursuant to Section 84330.

Each report shall be prepared in accordance with instructions on forms prescribed and furnished by the Chancellor of the California Community Colleges and average daily attendance shall be computed in the following manner:

(a) With the exception of days of attendance in special day classes convened, or other instruction provided a student for days in a school year which are in excess of the number of days in the school year on which the regular day schools of the district are convened, if the average daily attendance in schools and classes maintained by community college districts other than regular day schools and classes for the period of time between July 1 and June 30 is greater or lesser than the average daily attendance in such schools and classes reported for the second period report, the separate state support which is provided for attendance in such schools and classes shall be recomputed on the basis of the fiscal year average daily attendance, and increases and decreases in apportionments shall be added or withheld in the next succeeding fiscal year pursuant to Section 84330.

(b) The average daily attendance of each community college shall be determined pursuant to the provisions of Article 2 (commencing with Section 84520) of Chapter 4 of this part. For community colleges under the provisions of this paragraph, the "first period" shall be the summer session and the fall semester for semester system colleges, the summer and fall quarter for colleges on the three-quarter system, and the summer and fall quarters for colleges on the four-quarter system. The "second period" shall be the "academic year" which is the summer session plus the first and second semester for semester system colleges, the summer session plus the first and second quarters for three-quarter-system colleges and the summer, fall, and winter quarters for four-quarter-system colleges.

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

(c) The average daily attendance in summer school and outdoor science and conservation education classes maintained during the period between the last day the regular day schools are in session during the preceding year and the first day the regular day schools

are in session during the current year shall be reported on both the first period and second period reports. The hours of attendance shall be divided by 525 for all classes of less than four weeks duration. For summer sessions of four weeks or more, average daily attendance shall be computed as provided in Section 84520.

(d) The days of attendance in classes for adults maintained after the last full school month of the second period of the preceding year and prior to the end of each reporting period shall be reported on each report.

SEC. 349. Section 84706 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

84706. For the purposes of computation of allowances and apportionments from the State School Fund, whenever computations of apportionments based on average daily attendance are made for community college districts only the attendance in all classes which have been reported as attached to, or as a part of, a community college which maintains grades 13 and 14 shall be included.

SEC. 350. Section 84790 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

84790. For each fiscal year, the Chancellor of the California Community Colleges shall allow to each community college district for each unit of average daily attendance of students not residing in the district and not residing in any district maintaining a community college, one hundred twenty-five dollars ($125) as basic state aid.

There shall be excluded from the computation of allowances provided by this section the average daily attendance of inmates of any state penal institution for adults or of any city, county, or city and county jail, road camp, or farm for adults; unless the inmate is attending a community college class or program pursuant to Section 2690 of the Penal Code, in which case such attendance shall be included.

SEC. 351. Section 84817 of the Education Code, as amended by Chapter 1011 of the Statutes of 1976, is amended to read:

84817. (a) In addition to all other amounts allowed to a community college district under this article, the Chancellor of the California Community Colleges shall allow to each community college district for transporting blind, deaf, aphasic, orthopedic or other health-impaired, and other physically impaired students handicapped in mobility, mentally retarded students who come within the provisions of Section 56515, autistic students who come within the provisions of Section 78601, and multihandicapped students, to and from special day classes, three hundred eighty-nine dollars ($389) for each unit of average daily attendance of such students during the fiscal year resulting from the attendance of such students on the special day classes to and from which they are transported by the district.

In addition to all other amounts allowed to a community college district under this article, the Chancellor of the California

Community Colleges shall allow to each community college district for transporting deaf, severely hard-of-hearing, blind, deaf-blind, or other multihandicapped students who come within the provisions of Section 56160, to and from experimental programs approved by him, three hundred eighty-nine dollars ($389) for each unit of average daily attendance of such students during the fiscal year resulting from the attendance of such minor students in the experimental programs to and from which they are transported by the district.

(b) As used in this section, "physically impaired minors handicapped in mobility" means those minors who are deemed eligible for special class placement as defined by the board of governors.

(c) If the Chancellor of the California Community Colleges determines that the current expense of providing transportation under this section does not equal or exceed the allowance provided for such purpose, then the amount of the deficiency shall be withheld from state apportionments to the community college district, in accordance with the procedure prescribed in Section 84330. Such amounts withheld shall then be apportioned, on a pro rata basis against the expenses, to those districts which maintain and operate vehicles exclusively for the transportation of handicapped students. In no case shall any district receive an amount greater than its total current expense in providing such transportation.

SEC. 352. Section 84836 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

84836. The Chancellor of the California Community Colleges shall allow to each district for the education of educationally handicapped students in special classes during the current fiscal year an amount computed as follows:

(a) He shall divide the average daily attendance in each particular class-size category by the maximum class size established for each particular class-size category, and increase the quotient to the next highest integer where a fractional amount is produced.

(b) He shall then determine for each particular class-size category the product of the amount computed under subdivision (a) multiplied by the maximum class size established by law for special day classes for the particular category.

(c) He shall then multiply the amount computed under subdivision (b) by the following amount of the particular level and category:

Category	Community college grades (13–14)
Educationally handicapped	
Class-size maximum of 12	$710
Autistic	
Class-size maximum of 6	$4,245

SEC. 353. Section 84838 of the Education Code, as amended by Chapter 1011 of the Statutes of 1976, is amended to read:

84838. (1) In addition to the allowance, provided under Sections 84832 to 84836, inclusive, the Chancellor of the California Community Colleges shall allow to community college districts for each unit of average daily attendance an amount as follows:

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

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

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

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

(e) For instruction of blind students when a reader has actually been provided to assist the student with his studies, or for individual instruction in mobility provided blind students under regulations prescribed by the board of governors, or when braille books are purchased, ink print materials are transcribed into braille, or sound recordings and other special supplies and equipment are purchased for blind students, or for individual supplemental instruction in vocational arts, business arts, or homemaking for blind students, nine hundred ten dollars ($910).

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

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

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

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

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

(j) In lieu of benefits provided under subdivision (d) of Section 84838, there shall be allowed for the individualized remedial instruction of speech handicapped students by specially trained noncredentialed instructing assistants under the direct guidance of a speech therapist, one thousand eighteen dollars ($1,018).

(2) (a) The allowances provided under Sections 84832 to 84836, inclusive, may be increased proportionately on account of special day classes convened, or other instruction provided a student, for days in a school year which are in excess of the number of days in the school year on which the regular day schools of a district are convened. The

average daily attendance of students enrolled for such excess days shall be credited to the district in the fiscal year in which the last day of such excess days falls.

(b) The Chancellor of the California Community Colleges shall compute for each applicant community college district in providing in such year a program of specialized consultation to instructors, counselors and supervisors for educationally handicapped students, an amount equal to the product of ten dollars ($10) and the average daily attendance of students enrolled in special day classes, learning disability groups, and home and hospital instruction for educationally handicapped students.

SEC. 354. Section 85132 of the Education Code, as amended by Chapter 1011 of the Statutes of 1976, is amended to read:

85132. (a) For fiscal year 1976–77, the maximum general purpose tax rate shall be computed pursuant to this section by the county superintendent of schools for each community college district in the county. This maximum general purpose tax rate shall be exclusive of taxes provided in former Section 1905, 14111, 15517, 15518, 16750, 20755, 20801, 22101, or 25541.5 of the Education Code and Section 5302.5 of the Streets and Highways Code. The maximum general purpose tax rate which may be levied by, or on behalf of, a community college district in the 1976–77 fiscal year, shall be the general purpose tax rate a community college district was authorized to levy in the 1975–76 fiscal year pursuant to former Section 20935, exclusive of the tax provided pursuant to former Section 14111 and adjustments for under- or over-estimating average daily attendance in the 1974–75 fiscal year pursuant to former Section 20936.5 plus or minus adjustments for under- or over-estimating average daily attendance in the 1975–76 fiscal year pursuant to former Section 20936.5, or a tax rate computed in accordance with the following procedure:

(1) Determine the 1975–76 fiscal year general purpose tax rate levied by the district pursuant to former Section 20935 and former Section 20936.5.

(2) Add to paragraph (1) the property tax rate on the secured roll which would produce an amount of property tax revenue equal to the following:

(A) The amount of the property tax revenue which would be received by such district in the current fiscal year by levying its 1975–76 fiscal year general purpose tax rate against the district's total assessed value for the current year, subtracted from;

(B) The amount of property tax revenue which would be received by such district in the current fiscal year if its property tax revenue from the prior year were to change by a percentage equal to the following: the percentage change in the adult population of the district (as determined pursuant to Section 2228.1 of the Revenue and Taxation Code) plus the percentage change in "Government Purchases of Goods and Services, State and Local" as determined by the Department of Finance.

(b) As used in this section, "property tax revenue from the prior

year" means the revenue which would have been received by a district in the prior fiscal year by levying the 1975–76 fiscal year general purpose property tax rate authorized by former Section 20935 against the total assessed value for such year.

(c) As used in this section, "total assessed value" means all assessed value subject to ad valorem property taxation by a district plus assessed value attributable to the homeowners' property tax exemption and to the business inventory property tax exemption.

SEC. 355. Section 85133 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

85133. For fiscal year 1977–78 and each fiscal year thereafter, the maximum general purpose tax rate shall be computed pursuant to this section by the county superintendent of schools for each community college district in the county. This maximum general purpose tax rate shall be exclusive of taxes provided in Section 4147, 8329, 15250, 23401, 81180, 84008, 85100, or 85110 of the Education Code and Section 5302.5 of the Streets and Highways Code.

The maximum general purpose tax rate which may be levied by or on behalf of a community college district in 1977–78 and each fiscal year thereafter shall be the general purpose tax rate which could have been levied in the prior year pursuant to Section 85132 of the Education Code or this section or a tax rate computed in accordance with the following alternate procedure:

(1) Determine the prior year general purpose tax rate which could have been levied by the district pursuant to Section 85132 of the Education Code or this section,

(2) Add to subdivision (1) the property tax rate on the secured roll which would produce an amount of property tax revenue equal to the following:

(a) The amount of the property tax revenue which would be received by such district in the current fiscal year by levying the rate identified in subdivision (1) of this section against the district's total assessed value for the current year, subtracted from

(b) The amount of property tax revenue which would be received by such district in the current fiscal year if its property tax revenue from the prior year were to change by a percentage equal to the following: the percentage change in the adult population of the district (as determined pursuant to Section 2228.1 of the Revenue and Taxation Code) plus the percentage equal to the prior years' percentage change in "Government Purchase of Goods and Services, State and Local" as determined by the Department of Finance.

For the 1977–78 fiscal year only, the maximum authorized general purpose tax rate shall be adjusted, plus or minus, for corrections in the factors for adult population change and "Government Purchase of Goods and Services, State and Local," and other estimating errors made in determining the 1976–77 maximum authorized general purpose tax rate.

As used in this section, "property tax revenue from the prior year" means the revenue which would have been received by a district in

the prior fiscal year by levying the maximum prior year general purpose property tax rate authorized by Section 85132 of the Education Code or this section against the total assessed value for such year.

As used in this section, "total assessed value" means all assessed value subject to ad valorem property taxation by a district plus assessed value attributable to the homeowners' property tax exemption and to the business inventory property tax exemption.

SEC. 356. Section 85133.5 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

85133.5. The maximum tax rate of a community college district the boundaries of which are coterminous with those of a city and county shall be increased, or decreased, as the case may be, by the amount necessary to reflect or accommodate any change in the property tax revenues allocable to the district for public school purposes or any change in expenditures required of the district for public school purposes resulting from an election conducted prior to July 1, 1976, affecting such revenues or expenditures conducted pursuant to the charter of the city and county.

SEC. 357. Section 85203 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

85203. The governing board of any district may direct that moneys held in any fund or account may be temporarily transferred from one or more of these accounts or funds to another fund of the district to be used for the payment of obligations of the district. Such a transfer can be made not more than twice within a fiscal year from the same fund or account and only when the district will receive income sufficient to repay the amount transferred. The amount transferred shall be repaid either in the same or the following fiscal year, but in any case not more than 120 calendar days after the transfer. No more than 75 percent of the maximum of moneys held in any fund or account during a current fiscal year may be transferred pursuant to the provisions of this section during that fiscal year.

SEC. 358. Section 85231 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

85231. All payments from the funds of a community college district shall be made by written order of the governing board of the district. Orders shall be on forms prescribed by the county superintendent of schools. Forms may be printed and furnished by the board of supervisors or the county superintendent of schools.

SEC. 359. Section 85233 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

85233. The governing board of each community college district shall be responsible for filing or causing to be filed with the county superintendent of schools the verified signature of each person, including members of the governing board, authorized to sign orders in its name. Except for districts determined to be fiscally accountable pursuant to Section 85264, no order on the funds of any district shall be approved by the county superintendent of schools unless the signatures are on file in his office and he is satisfied that the signa-

tures on the order are those of persons authorized to sign the order.

SEC. 360. Section 85235 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

85235. Each order drawn against the funds of a community college district shall be transmitted to the county superintendent of schools, and, if approved and signed by him shall become a requisition on the county auditor. The county superintendent may prescribe alternative procedures for districts determined to be fiscally accountable pursuant to Section 85264.

SEC. 361. Section 85236 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

85236. The county superintendent of schools shall examine each order on community college district funds transmitted to him, in the order in which it is received in his office. If it appears that the order is properly drawn for the payment of legally authorized expenses against the proper funds of the district, and that there are sufficient moneys in the fund or funds against which the order is drawn to pay it, he shall endorse upon it "examined and approved," and shall, in attestation thereof, affix his signature and number and date the requisition and transmit it directly to the county auditor, in the order in which the order is received in his office. The county superintendent may prescribe alternative methods for districts determined to be fiscally accountable pursuant to Section 85264.

SEC. 362. Section 85239 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

85239. The county auditor may examine each order and requisition on community college district funds transmitted to him by the county superintendent of schools. If he allows the order and requisition, he shall endorse thereon "examined and allowed," and shall date, number, and sign it, whereupon it shall become a warrant on the county treasurer. The auditor shall detach any bill attached to the requisition, and shall number the bill, giving it the same number which he gives the warrant, and file it in his office. He shall thereupon return the order, requisition, and warrant to the county superintendent of schools who shall transmit it to the governing board of the district for issuance to the payee or to his order.

Any requisition of the county superintendent of schools, whether based upon written order of the governing board of a school district or authorized by law, shall constitute full authority for the signature for allowance thereof by the county auditor as a warrant on the county treasurer, and no other authority shall be necessary or required for such action by the county auditor.

"Requisition," as used in this section, includes any order or demand signed by the county superintendent of schools directing the county auditor to draw his warrant on the county treasurer.

SEC. 363. Section 85243 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

85243. The superintendent of schools of each county shall keep, open to the inspection of the public, a register of warrants, showing

the fund upon which the requisitions have been drawn, the number, in whose favor, and for what purpose they were drawn.

The county superintendent shall prescribe rules for community college districts he determines to be fiscally accountable, pursuant to Section 85264, that retain copies of warrants and supporting documents within the district files.

SEC. 364. Section 85431 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

85431. Amounts expended from the revolving fund are restored thereto through payments into the revolving fund by warrants drawn on the various funds of the districts, including building funds, for shipments from stores for the use of the district. The warrants shall be made payable to the "revolving fund of _____." (Here insert name or names of the community college district or community college districts establishing the fund.)

SEC. 365. Section 87008 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

87008. (a) Except as provided in subdivision (b) of this section, a termination of probation and dismissal of an accusation or information pursuant to Section 1203.4 of the Penal Code shall not, for the purpose of this division have any effect.

(b) Notwithstanding any other provision of this code, no person shall be denied a hearing solely on the basis that he has been convicted of a crime if he has obtained a certificate of rehabilitation under Section 4852.01 and following of the Penal Code, and if his probation has been terminated and the information or accusation has been dismissed pursuant to Section 1203.4 of the Penal Code.

SEC. 366. Section 87009 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

87009. A plea or verdict of guilty or a finding of guilt by a court in a trial without a jury is deemed to be a conviction within the meaning of Sections 87335, 87346, 87405, and 88022 of this code, irrespective of a subsequent order under the provisions of Section 1203.4 of the Penal Code allowing the withdrawal of the plea of guilty and entering a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusations or information. The record of such conviction of a sex offense as defined in Section 87010 or of a narcotics offense defined in Section 87011 shall be sufficient proof of conviction of a crime involving moral turpitude for the purposes of Sections 87453, 87467, 87484, and 87732 inclusive, relating to the dismissal of permanent employees.

SEC. 367. Section 87215 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

87215. The issuance of any teaching credential requires (1) the passing of a satisfactory examination on the provisions and principles of the Constitution of the United States in a community college, college, or university of recognized merit or (2) the satisfactory completion of two semester units of work on the provisions and principles of the Constitution of the United States in any university

or college from which undergraduate credits earned are accepted by the commission as meeting undergraduate credit requirements for credentials issued by the commission or in any publicly supported community college in the state. Public and private institutions in California may be authorized to attest to the individual's satisfaction of this requirement.

The requirements of this section do not apply to the designated subjects teaching credential authorizing part-time employment only.

SEC 368. Section 87290 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

87290. (a) The Board of Governors of the California Community Colleges shall deny any application for the issuance of a credential authorized by this article made by any applicant who comes within any of the following classes:

(1) Has been determined to be a mentally disordered sex offender under the provisions of Article 1 (commencing with Section 6300), Chapter 2, Part 2, Division 6 of the Welfare and Institutions Code or under similar provisions of law of any other state.

(2) Has been convicted of any sex offense as defined in Section 87010.

(3) Has been convicted of a narcotics offense as defined in Section 87011.

(b) Notwithstanding paragraphs (2) and (3) of subdivision (a), no person shall be denied a credential solely on the basis that he has been convicted of a crime specified in paragraphs (2) and (3) of subdivision (a) if he has obtained or applied for a certificate of rehabilitation under Section 4852.01 and following of the Penal Code, and if his probation has been terminated and the information or accusation has been dismissed pursuant to Section 1203.4 of the Penal Code.

SEC. 369. Section 87422 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

87422. The governing board of a community college district, subject to the rules and regulations prescribed by the board of governors may enter into an agreement with the proper authorities of any foreign country, or of any state, territory, or possession of the United States, or other district within the state, for the exchange and employment of regularly credentialed employees and employees of public schools of any foreign country, state, territory, or possession, or other district within this state. Any certificated person so employed as provided in this section shall be known as an "exchange certificated employee." No exchange shall be made without the consent of the employee to be exchanged.

Due consideration shall be given to the general qualifications and professional status of the exchange employee as compared to the general qualifications and professional status of the employee for whom exchanged. However, it shall not be a requirement that an exchange certificated employee be an instructor of the same subject

or grade, or both, as the employee for whom exchanged. If the service authorized is other than teaching, it shall not be a requirement that the service be at the same grade level or that the service be exactly the same as the employee for whom exchanged.

No person may be employed as an exchange employee by a community college district in the state unless he holds the necessary valid credential or credentials issued by the board of governors authorizing him to serve in a position requiring certification qualifications in the community college district proposing to employ him. The board of governors may establish minimum standards for the credentials for exchange certificated employees, provided however, that no exchange certificated employee shall be required to pay any fee or other charge for the issuance to him of any necessary valid credential or credentials authorizing him to serve in a position requiring certification qualifications in any community college district in this state.

An exchange agreement may be made for a period not to exceed three years.

At the end of the assignment period, the exchange, with the consent of all parties, may be made complete and permanent.

SEC. 369.3. Section 87470 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

87470. The governing board of any community college district may employ persons possessing an appropriate credential as certificated employees in programs and projects to perform services conducted under contract with public or private agencies, or other categorically funded projects of indeterminate duration. The terms and conditions under which such persons are employed shall be mutually agreed upon by the employee and the governing board and such agreement shall be reduced to writing. Service pursuant to this section shall not be included in computing the service required as a prerequisite to attainment of, or eligibility to, classification as a regular employee of a community college district unless (1) such person has served pursuant to this section for at least 75 percent of the number of days in regular schools of the district by which he is employed are maintained, and (2) such person is subsequently employed as a contract employee in a position requiring certification qualifications. Such persons may be employed for periods which are less than a full school year and may be terminated at the expiration of the contract or specially funded project without regard to other requirements of this code respecting the termination of contract or regular employees.

This section shall not be construed to apply to any regularly credentialed employee who has been employed in the regular educational programs of the district as a contract employee before being subsequently assigned to any one of these programs.

SEC. 369.5. Section 87830 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

87830. The salary payment due a certificated employee for his last month of service in any district during any fiscal year shall not be approved by the county superintendent of schools until all reports

required from the employee have been filed with the superintendent. Such payment shall be made within 10 calendar days after the filing of all such reports if after the regular payday or the last month of service.

SEC. 370. Section 88070 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

88070. The governing board may authorize payment to members of the commission an amount not to exceed twenty-five dollars ($25) per meeting and not to exceed one hundred dollars ($100) per month.

SEC. 371. Section 88203 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

88203. All employees a part of the classified service shall be entitled to the following paid holidays provided they are in a paid status during any portion of the working day immediately preceding or succeeding the holiday: January 1, February 12 known as "Lincoln Day," the third Monday in February known as "Washington Day," the last Monday in May known as "Memorial Day," July 4, the first Monday in September known as "Labor Day," November 11 known as "Veterans Day," that Thursday in November proclaimed by the President as "Thanksgiving Day," December 25, every day appointed by the President, or the Governor of this state, as provided for in subdivisions (b) and (c) of Section 79020 for a public fast, thanksgiving or holiday, or any day declared a holiday under Section 1318 or 79022 for classified or certificated employees. School recesses during the Christmas and Easter periods shall not be considered holidays for classified employees who are normally required to work during that period; provided, however, that this shall not be construed as affecting vacation rights specified in Section 88203.

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

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

The provisions of Article 3 (commencing with Section 79020) of Chapter 8 of Part 48 of this division shall not be construed to in any way limit the provisions of this section, nor shall anything in this section be construed to prohibit the governing board from adopting separate work schedules for the certificated and the classified services, or from providing holiday pay for employees who have not been in paid status on the days specified herein. Notwithstanding the

adoption of separate work schedules for the certificated and the classified services, on any schoolday during which students would otherwise have been in attendance but are not and for which certificated personnel receive regular pay, classified personnel shall also receive regular pay whether or not they are required to report for duty that day.

This section shall apply to districts that have adopted the merit system in the same manner and effect as if it were a part of Article 3 (commencing with Section 88060) of this chapter.

SEC. 372. Section 88205 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

88205. Prior to July 1 of any school year, the governing board of any community college district may designate other days during such year as the holidays to which classified employees are entitled in lieu of the holidays on February 12 known as "Lincoln Day," the third Monday in February known as "Washington Day," the last Monday in May known as "Memorial Day," or November 11 known as "Veterans Day" as specified in Section 88203, provided that such designated days will provide for at least a three-day weekend. Classified employees shall be required to work on the regular holiday for which another day is designated pursuant to this section, and for work of eight hours or less, shall be paid compensation at their regular rate of pay.

If any classified employee would be entitled to the regular paid holiday but would not be in a paid status during any portion of the working day immediately preceding or succeeding the day so designated in lieu of such holiday and therefore would not be entitled to such day in lieu of the holiday, he shall be entitled to the regular holiday; however, if he is required to work on such holiday, he shall be paid compensation at the rate of time and one-half of his regular rate of pay in addition to the regular pay received for the holiday.

This section shall not be construed to authorize the maintenance of schools on holidays other than as provided in Article 3 (commencing with Section 79020) of Chapter 8 of Part 48 of this division.

This section shall apply to districts that have adopted the merit system in the same manner and effect as if it were a part of Article 3 (commencing with Section 88060) of this chapter.

SEC. 373. Section 88207 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

88207. Any days of absence for illness or injury earned pursuant to Section 88191, may be used by the contract or regular employee, at his election, in cases of personal necessity, including any of the following:

(a) Death of a member of his immediate family when additional leave is required beyond that provided in Section 88194 and that provided, in addition thereto, as a right by the governing board.

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

(c) Appearance in any court or before any administrative tribunal

as a litigant, party, or witness under subpoena or any order made with jurisdiction.

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

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

Immediate family has the same meaning as provided in Section 88194.

This section shall apply to districts that have adopted the merit system in the same manner and effect as if it were a part of Article 3 (commencing with Section 88060) of this chapter.

This section shall also apply to community college districts that may be exempted from the provisions of Section 88191. Authorized necessity leave shall be deducted from sick leave earned under the provisions of the exemption of Section 88191.

SEC. 374. Section 89033 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

89033. The name of any particular institution named in Section 89001 may be changed to read "California State University, _____," or "_____ State _____" (College or University, as the case may be), except that the institutions named in subdivisions (a), (b), (d), (e), (g), (h), and (p) of Section 89001 shall be changed to read "San Jose State University," "San Francisco State University," "Humboldt State University," "San Diego State University," "California Polytechnic State University, San Luis Obispo," "California State Polytechnic University, Pomona," and "Sonoma State College," respectively; provided that the term "university" may be used in the name of a particular institution only after affirmative action by the trustees and the California Postsecondary Education Commission after consideration of the criteria developed pursuant to Section 89032.

SEC. 375. Section 89301 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

89301. Notwithstanding any provision of law to the contrary, except as provided pursuant to Section 89707.5 with respect to nonresident students who are citizens and residents of a foreign country and who are not citizens of the United States, student body organization membership fees authorized under the provisions of Section 89300 hereof shall be collected by the officials of the campus of the California State University and Colleges, together with all tuition and material and service fees, at the time of registration, except where a student loan or grant from a recognized training program or student aid program has been delayed and there is reasonable proof that the funds will be forthcoming. Exception may also be made where changes are made during the change of program period which result in a higher fee category than paid at the time of registration. All

unexpended funds and money collected on behalf of or by student body organizations, except funds and money collected from commercial services as provided in Section 89905, shall, with the approval of an appropriate officer of the student body organization, be deposited in trust by the chief fiscal officer of the campus and such money shall, subject to the approval of the trustees, be deposited or invested in any one or more of the following ways:

(a) Deposits in trust accounts of the centralized State Treasury system pursuant to Sections 16305 to 16305.7, inclusive, of the Government Code or in the California State University and Colleges Trust Fund or in a bank of banks whose accounts are insured by the Federal Deposit Insurance Corporation.

(b) Investment certificates or withdrawable shares in state-chartered savings and loan associations and savings accounts of federal savings and loan associations, provided such associations are doing business in this state and have their accounts insured by the Federal Savings and Loan Insurance Corporation; and provided further that any money so invested or deposited is invested or deposited in certificates, shares, or accounts fully covered by such insurance.

(c) Purchase of any of the securities authorized for investment by Section 16430 of the Government Code or investment by the State Treasurer in those securities.

(d) Participation in funds which are exempt from federal income tax pursuant to Section 501 (c) (3) of the Internal Revenue Code and which are open exclusively to nonprofit colleges, universities, and independent schools.

All moneys received by a state university or college from any agency of the state or federal government for the payment of student body organizations membership fees of students attending the university or college shall be deposited or invested as provided above.

SEC. 376. Section 89304 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

89304. Upon the favorable vote of two-thirds of the students voting in an election held for the purpose at a state college, in such manner as the trustees shall prescribe, and open to all regular students enrolled in the university or college, the trustees are authorized to fix, in addition to any other student fee the trustees are authorized to fix, a building and operating fee not to exceed twenty dollars ($20) per student per academic year which shall be required of all students attending the university or college. All unexpended funds and money collected by any state college under this section shall be available for financing, operating and constructing a student body center, and until so used, shall, subject to the approval of the trustees, be deposited or invested in trust by the chief fiscal officer of that university or college in any one or more of the following ways:

(a) Deposits in trust accounts of the centralized State Treasury system pursuant to Sections 16305 to 16305.7, inclusive, of the Government Code or in the State Colleges Trust Fund or in a bank or banks whose accounts are insured by the Federal Deposit Insurance

Corporation.

(b) Investment certificates or withdrawable shares in state-chartered savings and loan associations and savings accounts of federal savings and loan associations; provided such associations are doing business in this state and have their accounts insured by the Federal Savings and Loan Insurance Corporation.

(c) Purchase of any of the securities authorized for investment by Section 16430 of the Government Code or investment by the State Treasurer in those securities.

(d) Participation in funds which are exempt from federal income tax pursuant to Section 501 (c) (3) of the Internal Revenue Code and which are open exclusively to nonprofit colleges, universities, and independent schools.

The chief fiscal officer of each college shall be custodian of those moneys and provide the necessary accounting records and controls thereof.

The state university or college shall be reimbursed from these funds in an amount to cover the cost of the custodial and accounting services provided by the university or college in connection with these funds.

These funds may be expended by the custodian only upon the submission of an appropriate claim schedule by an elected representative of the student body or his appointee.

SEC. 377. Section 89505 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

89505. The trustees, subject to such conditions as they may establish, may purchase annuity contracts for any of their employees, and shall reduce the salary of any such employee for whom such contract is purchased in the amount of the cost thereof; provided that each of the following conditions are met:

(a) The annuity contract is under an annuity plan which meets the requirements of Section 403 (b) of the Internal Revenue Code of 1954 of the United States as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406).

(b) The employee makes application to the trustees for such purchase and reduction of salary.

(c) All provisions of the Insurance Code applicable to the purchase of such annuities are satisfied.

SEC. 378. Section 89900 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

89900. (a) A certified public accountant shall be selected by each auxiliary organization described in Section 89901. Upon being notified of the certified public accountant selected by an auxiliary organization, the office of the chancellor shall forward the applicable auditing and reporting procedures to the selected certified public accountant. In accordance with procedures prescribed by the Department of Finance, such certified public accountant shall annually audit any and all state university or college auxiliary funds. The auxiliary organizations shall contract for and receive such audit annu-

ally, and shall submit such audit to the trustees and to the Director of Finance. Auxiliary organizations shall annually publish an audited statement of their financial condition which shall be disseminated as widely as feasible and be available to any person on request. In the case of an auxiliary organization primarily serving a single campus of the California State University and Colleges, publication in the campus student newspaper shall be deemed compliance with this requirement. In the case of an auxiliary organization serving the trustees or the California State University and Colleges, distribution of the published audited statement of its financial condition at a regularly scheduled meeting of the trustees shall be deemed compliance with this requirement.

(b) In the case of an auxiliary organization primarily serving a single campus of the California State University and Colleges, the president of that state university or college shall be responsible for ascertaining that all expenditures are in accordance with policies of the trustees, the propriety of all expenditures, and the integrity of the financial reporting, made by auxiliary organizations.

(c) The operation of auxiliary organizations shall be conducted in conformity with regulations established by the trustees, and the accounting procedures of such auxiliary organizations shall be approved by the Director of Finance. The regulations shall include provisions requiring the governing board of each auxiliary organization to provide salaries, working conditions and benefits for the full-time employees of each auxiliary organization which are comparable to those provided California State University and Colleges employees performing similar services, except that retirement and permanent status benefits shall only apply to persons employed by a foundation qualifying as an auxiliary organization for at least three consecutive years. For those employees whose duties are not comparable to classes in California State University and Colleges employment the salaries established shall be at least equal to the salaries prevailing in other educational institutions in the area or commercial operations of like nature. Retirement benefits may be provided by other than the Public Employees' Retirement System.

(d) A contract for participation in the Public Employees' Retirement System in accordance with the terms and conditions of the Public Employees' Retirement Law shall be deemed to fully satisfy the requirements of subdivision (c) with respect to retirement.

SEC. 379. Section 89903 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

89903. Each auxiliary organization formed pursuant to this article, shall have a board of directors composed, both as to size and categories of membership, in accordance with regulations established by the Trustees of the California State University and Colleges.

Each governing board shall, during each fiscal year, hold at least one business meeting each quarter. The board shall have the benefit of the advice and counsel of at least one attorney admitted to practice law in this state and at least one licensed certified public accountant.

Neither the attorney at law nor the certified public accountant need be members of the board.

No auxiliary organization shall accept any grant, contract, bequest, trust, or gift, unless it is so conditioned that it may be used only for purposes consistent with policies of the trustees.

Each governing board of an auxiliary organization shall conduct its business in public meetings in accordance with the provisions of Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 380. Section 90273 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

90273. Such felonies are punishable by imprisonment in the state prison.

SEC. 380.5. Section 380 of this act shall become operative on the operative date of Chapter 1139 of the Statutes of 1976.

SEC. 381. Section 92492 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

92492. Notwithstanding any other provision of law, all bonds sold and delivered pursuant to this chapter are legal investments for all trust funds and for the funds of all insurance companies, banks, both commercial and savings, trust companies, the state school funds, and any public or private funds which may be invested in county, municipal, or school district bonds, and may be deposited as security for the performance of any act whenever the bonds of any county, municipality, or school district may be so deposited, and may also be used as security for the deposit of public moneys in banks and savings and loan associations of this state.

SEC. 382. Section 94110 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

94110. As used in this chapter, the following words and terms shall have the following meanings, unless the context indicates or requires another or different meaning or intent:

"Authority" means the California Educational Facilities Authority created by this chapter or any board, body, commission, department or officer succeeding to the principal functions thereof or to whom the power conferred upon the authority by this chapter shall be given by law;

"Bond" means bonds, notes, debentures, or other securities of the authority issued pursuant to this chapter;

"Dormitory" means a housing unit with necessary and usual attendant and related facilities and equipment;

"Educational facility" means a structure suitable for use as a dormitory, dining hall, student union, administration building, academic building, library, laboratory, research facility, classroom, health care facility (including for an institution of higher education which maintains and operates a school of medicine, structures or facilities providing or designed to provide services as a hospital or clinic, whether such hospital or clinic is operated directly by the institution of higher education or by a separate nonprofit corporation, the member or

members of which consist of the educational institution or the members of its governing body), and parking, maintenance, storage or utility facility and other structures or facilities related thereto or required or useful for the instruction of students or the conducting of research or the operation of an institution for higher education, and the necessary and usual attendant and related facilities and equipment, but shall not include any facility used or to be used for sectarian instruction or as a place for religious worship or any facility used or to be used primarily in connection with any part of the program of a school or department of divinity;

"Participating college" means a private college which neither restricts entry on racial or religious grounds nor requires all students gaining admission to receive instruction in the tenets of a particular faith, and which, pursuant to the provisions of this chapter, participates with the authority in undertaking the financing and construction or acquisition of a project;

"Project" means a dormitory or an educational facility or any combination thereof;

"Private college" means an institution for higher education other than a public college, situated within the state and which, by virtue of law or charter, is a nonprofit educational institution empowered to provide a program of education beyond the high school level;

"Cost," as applied to a project or portion thereof financed under the provisions of this chapter, embraces all or any part of the cost of construction and acquisition of all lands, structures, real or personal property, rights, rights-of-way, franchises, easements and interests acquired or used for a project, the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved, the cost of all machinery and equipment, financing charges, interest prior to, during and for a period after completion of such construction as determined by the authority, provisions for working capital, reserves for additions, replacements, renovations and improvements, the cost of engineering, financial and legal services, plans, specifications, studies, surveys, estimates, administrative expenses and other expenses necessary or incident to determining the feasibility of constructing any project or incident to the construction or acquisition or financing thereof.

SEC. 383. Section 94144 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

94144. (a) The authority is authorized from time to time to issue its negotiable bonds for any corporate purpose. In anticipation of the sale of such bonds the authority may issue negotiable bond anticipation notes and may renew the same from time to time. Such notes shall be paid from any revenues of the authority or other moneys available therefor and not otherwise pledged, or from the proceeds of sale of the bonds of the authority in anticipation of which they were issued. The notes shall be issued in the same manner as the bonds. Such notes and the resolution or resolutions authorizing the

same may contain any provisions, conditions or limitations which a bond resolution of the authority may contain.

(b) Except as may otherwise be expressly provided by the authority, every issue of its bonds or notes shall be general obligations of the authority payable from any revenues or moneys of the authority available therefor and not otherwise pledged, subject only to any agreements with the holders of particular bonds or notes pledging any particular revenues or moneys and subject to any agreements with any participating institution. Notwithstanding that such bonds or notes may be payable from a special fund, they shall be and be deemed to be for all purposes negotiable instruments, subject only to the provisions of such bonds or notes for registration.

(c) The bonds may be issued as serial bonds or as term bonds, or the authority, in its discretion, may issue bonds of both types. The bonds shall be authorized by resolution of the authority and shall bear such date or dates, mature at such time or times, not exceeding 50 years from their respective dates, bear interest at such rate or rates, be payable at such time or times, be in such denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in lawful money of the United States of America at such place or places, and be subject to such terms of redemption, as such resolution or resolutions may provide. The bonds or notes may be sold by the State Treasurer at public sale, or the authority, after giving due consideration to the recommendations of the participating institution, may direct the State Treasurer to sell such bonds or notes at private sale.

In the case of public sale, (1) the bonds specified in the resolution shall be sold by the State Treasurer, at such time as may be fixed by him, and upon such notice as he may deem advisable, or at the time to which the sale shall have been continued, at public sale, upon sealed bids, to the bidder whose bid will result in the lowest net interest cost on account of such bonds and (2) if no bids are received, or if the State Treasurer determines that the bids are not satisfactory, the State Treasurer may reject all bids received, if any, and either readvertise or sell the bonds at private sale.

Pending preparation of the definitive bonds, the authority may issue interim receipts or certificates which shall be exchanged for such definitive bonds.

(d) Any resolution or resolutions authorizing any bonds or any issue of bonds may contain provisions, which shall be a part of the contract with the holders of the bonds to be authorized, as to: (1) pledging the full faith and credit of the authority or pledging all or any part of the revenues of a project or any revenue-producing contract or contracts made by the authority with any individual, partnership, corporation or association or other body, public or private, to secure the payment of the bonds or of any particular issue of bonds, subject to such agreements with bondholders as may then exist; (2) the rentals, fees and other charges to be charged, and the amounts to be raised in each year thereby, and the use and disposi-

tion of the revenues; (3) the setting aside of reserves or sinking funds, and the regulation and disposition thereof; (4) limitations on the right of the authority or its agent to restrict and regulate the use of the project; (5) limitations on the purpose to which the proceeds of sale of any issue of bonds then or thereafter to be issued may be applied and pledging such proceeds to secure the payment of the bonds or any issue of the bonds; (6) limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured and the refunding of outstanding bonds; (7) the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which such consent may be given; (8) limitations on the amount of moneys derived from the project to be expended for operating, administrative or other expenses of the authority; (9) defining the acts or omissions to act which shall constitute a default in the duties of the authority to holders of its obligations and providing the rights and remedies of such holders in the event of a default; and (10) the mortgaging of a project and the site thereof for the purpose of securing the bondholders.

(e) Neither the members of the authority nor any person executing the bonds or notes shall be liable personally on the bonds or notes or be subject to any personal liability or accountability by reason of the issuance thereof.

(f) The authority shall have power out of any funds available therefor to purchase its bonds or notes. The authority may hold, pledge, cancel or resell such bonds, subject to and in accordance with agreements with bondholders.

SEC. 384. Section 94151 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

94151. (a) The authority is hereby authorized to loan funds to a participating institution and to provide for the issuance of bonds for the purpose of refinancing projects not originally funded pursuant to this chapter, such refinancing to include the repayment of costs, as defined in Section 94110, incurred for projects by the participating institution and which have a completion date subsequent to December 29, 1969.

(b) For purposes of this section, "completion date" shall mean, in the case of construction or renovation of a project, the date on which the notice of completion is filed, and, in the case of the acquisition of a project, the date of such acquisition.

(c) All such bonds shall be subject to the provisions of this chapter in the same manner and to the same extent as other bonds issued pursuant to this chapter.

SEC. 385. Section 94153 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

94153. The total amount of bonds authorized to be outstanding at any one time under this chapter shall be one hundred fifty million dollars ($150,000,000).

SEC. 386. Section 94190 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

94190. In addition to foregoing powers, the authority shall have power:

(a) Upon application of the participating college to construct, acquire, refinance, or otherwise provide projects for the use and benefit of the participating college and the students, faculty and staff of such participating college. The participating college for which such a project is undertaken by the authority shall approve the plans and specifications and location of such project;

(b) To lease any project provided pursuant to this section to the participating college for which such project is provided. At such time as the liabilities of the authority incurred for any such project have been met and the bonds of the authority issued therefor have been paid, or such liabilities and bonds have otherwise been discharged, the authority shall transfer title to all the real and personal property of such project vested in the authority, to the participating college in connection with which such project is then leased; provided, however, that if at any time prior thereto such participating college ceases to offer educational facilities, then such title shall vest in the State of California.

Any lease of a project authorized by this section shall be a general obligation of the lessee and may contain provisions, which shall be a part of the contract with the holders of the bonds of the authority issued for such project, as to:

(i) Pledging all or any part of the moneys, earnings, income and revenues derived by the lessee from such project or any part or parts thereof, or other personal property of the lessee, to secure payments required under the terms of such lease;

(ii) The rates, rentals, fees and other charges to be fixed and collected by the lessee, the amounts to be raised in each year thereby, and the use and disposition of such moneys, earnings, income and revenues;

(iii) The setting aside of reserves and the creation of special funds and the regulation and disposition thereof;

(iv) The procedure, if any, by which the terms of such lease may be amended, the amount of bonds the holders of which must consent thereto, and the manner in which such consent may be given;

(v) Vesting in a trustee or trustees such specified properties, rights, powers and duties as shall be deemed necessary or desirable for the security of the holders of the bonds of the authority issued for such projects;

(vi) The obligations of the lessee with respect to the replacement, reconstruction, maintenance, operation, repairs and insurance of such project;

(vii) Defining the acts or omissions to act which shall constitute a default in the obligations and duties of the lessee, and providing for the rights and remedies of the authority and of its bondholders in the event of such default;

(viii) Any other matters, of like or different character, which may be deemed necessary or desirable for the security or protection of the authority or the holders of its bonds.

SEC. 387. Section 94191 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

94191. The authority also shall have power:

(a) To make loans to any private college for the acquisition or construction of projects in accordance with a loan agreement and in accordance with plans and specifications which shall be subject to approval by the authority. No such loan shall exceed the total cost of such project and the equipment therefor as determined by the authority. Each such loan shall be premised upon an agreement between the authority and the private college as to payment, security, maturity, redemption, interest and other appropriate matters.

(b) To make loans to any private college to refund existing bonds, mortgages or advances, or other obligations incurred, given, or made by such private college for the acquisition or construction of any projects.

SEC. 388. Section 94324 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

94324. Any person, firm, association, partnership or corporation willfully violating any provision of Section 94319, 94320, 94321, 94322, or 94323 is guilty of a felony and is punishable by imprisonment in the state prison or by a fine of not less than one thousand dollars ($1,000) or by both such fine and imprisonment. Any person, firm, association, partnership or corporation willfully violating any other provision of this article is punishable, for a first offense, by imprisonment in the county jail not exceeding one year, or by fine not exceeding five hundred dollars ($500) or both; and any second or subsequent offense shall be a felony punishable by imprisonment in the state prison, or by fine not less than one thousand dollars ($1,000) or by both such fine and imprisonment.

SEC. 388.5. Section 388 of this act shall become operative on the operative date of Chapter 1139 of the Statutes of 1976.

SEC. 388.6. Section 1294.5 is added to the Education Code, as enacted by Chapter 1010 of the Statutes of 1976, to read:

1294.5. Any county superintendent of schools may employ persons possessing an appropriate credential as certificated employees in programs and projects to perform services conducted under contract with public or private agencies, or other categorically funded projects of indeterminate duration. The terms and conditions under which such persons are employed shall be mutually agreed upon by the employee and the county superintendent and such agreement shall be reduced to writing. Service pursuant to this section shall not be included in computing the service required as a prerequisite to attainment of, or eligibility to, classification as a permanent employee unless (1) such person has served pursuant to this section for at least 75 percent of the number of days the regular schools of county superintendent by which he is employed are maintained, and

(2) such person is subsequently employed as a probationary employee in a position requiring certification qualifications. Such persons may be employed for periods which are less than a full school year and may be terminated at the expiration of the contract or specially funded project without regard to other requirements of this code respecting the termination of probationary or permanent employees.

This section shall not be construed to apply to any regularly credentialed employee who has been employed in the regular educational programs of the county superintendent of schools as a probationary employee before being subsequently assigned to any one of these programs.

SEC. 389. Article 6 (commencing with Section 1340) is added to Chapter 2 of Part 2 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

Article 6. Tax-Sheltered Annuities

1340. Notwithstanding any other provision of law to the contrary, the following procedure may be utilized to make payments to companies providing tax-sheltered annuities for employees of county superintendents of schools. The county superintendent of schools may designate one or more national or state banks having its principal office in this state, provided its deposits are insured by the Federal Deposit Insurance Corporation, to act as disbursing agents for the county superintendent of schools. The county superintendent of schools may draw orders and requisitions upon the funds of the county superintendents of schools for the purchase of authorized tax-sheltered annuities, in favor of such banks. The county auditor shall follow the procedure with respect to examining and allowing such orders and requisitions set forth in Sections 42639 and 85239. The county superintendent of schools, upon receiving allowed warrants from the county auditor, shall transmit them to such designated banks. As soon as feasible following transmittal of such warrants to such banks, the county superintendent of schools shall furnish such banks with listings containing all information required to enable such banks to properly disburse payments to the companies, including identification of the employees for whom the annuities are purchased, the amount of payment on behalf of each designated employee, and the company to which the payment on behalf of each designated employee is to be made. It shall be the duty of each such bank to disburse such payments to the companies entitled thereto by check, bank draft, or other appropriate instrument of the bank, within a reasonable time after receipt of each such payment and the listings furnishing the necessary information for disbursements, which time period shall not exceed 10 working days. Such disbursing banks shall be deemed to be agents of the county superintendents of schools purchasing such annuities on behalf of their employees, and the moneys received by the banks shall be deemed to be deposits of

the county superintendents of schools. Security for the deposits shall be furnished as required by the laws of this state.

SEC. 390. Section 1910 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

1910. This article is repealed on January 1, 1979, and shall have no force or effect on and after that date.

SEC. 391. Section 2112 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

2112. (a) A resident of territory of the Tulelake Basin Joint Unified School District portion of Modoc and Siskiyou Counties which is not included within a community college district may attend an institution in an adjoining state and receive reimbursement for costs of such education in a two-year program as provided in this section, if:

(1) The institution is a member of the state system of public or higher education under the direction of a state board.

(2) The institution is publicly supported, and is fully accredited by a recognized accrediting agency as a "two-year college."

(3) The institution is the closest institution to the residence of the student, or is the closest institution offering a specialized curriculum in which the student enrolls.

(b) The county superintendent of schools of the county in which the person resides shall determine the average cost of education if the student attended a community college in the county or, if none, the California community college nearest the residence of the student.

The average cost of education shall be determined as nearly as practicable in accordance with Section 2100.

SEC. 392. Section 2113 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

2113. (a) The county superintendent of schools shall draw his order for the amount determined pursuant to Section 2112 on the county auditor in favor of the chief fiscal officer of the out-of-state institution. The county superintendent of schools shall identify each of the persons for whom such payment is made, and the payment shall be made only if it is used as part or all of the out-of-state tuition which the student is required to pay in order to attend the out-of-state institution.

(b) In no case may the amount paid to the out-of-state institution exceed the amount which the person for whom payment is made would have been required to pay to attend the out-of-state institution as a nonresident student.

(c) The amount required to be paid in each fiscal year by either the County Superintendent of Schools of Siskiyou County or Modoc County shall be derived from a county tax levied, collected, and distributed in accordance, as nearly as practicable, with the other provisions of this article, except that the tax shall only be levied in that portion of Siskiyou or Modoc County which is not part of a community college district.

SEC. 393. Section 2500.3 is added to the Education Code as enacted

by Chapter 1010 of the Statutes of 1976, to read:

2500.3. Notwithstanding Section 2500, whenever a special education program is transferred to a county superintendent of schools pursuant to Section 1710, the maximum allowable tax rate of the county superintendent of schools is increased by the amount necessary to raise an amount per unit of average daily attendance or per class, whichever is applicable, equal to such amount expended for the program, exclusive of capital outlay, by the district which maintained the program in the prior fiscal year.

The tax rate shall be determined in accordance with the procedures established in subdivision (f) of Section 2500.

SEC. 394. Section 2506.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

2506.5. Upon agreement between a majority of the members of the county board of education and a majority of the members of the county board of supervisors, as evidenced by resolutions adopted by each such board, the maximum allowable tax rate available pursuant to subdivision (b) of Section 2506 for the operation, maintenance and housing of a fiscally independent county office of education may be increased by an amount not to exceed one cent ($0.01) per one hundred dollars ($100) of assessed valuation if expenses for the operation, maintenance, and housing of the county office were funded from property tax revenues attributable to the county general fund in the 1972–73 fiscal year and if the county board of supervisors reduces the maximum general purpose tax rate of the county by the same amount by which the tax rate of the county superintendent of schools is increased in the fiscal year in which such rate is increased.

SEC. 395. Section 5015.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

5015.5. Notwithstanding Section 5015, the governing board of any community college district may, by a resolution adopted by a majority vote of the board, assign a number to each seat on the board to be selected by lot. Once such numbers are assigned, any candidate for election to the board shall be required to run for a particular numbered seat on the board and be elected by the voters of the district at large.

SEC. 396. Section 5203.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

5203.5. If the Charter of the City of Sacramento is amended so that it no longer provides for a board of education of the Sacramento City Unified School District, a new board of education composed of seven members is created under this section immediately upon the effective date of such amendment.

The manner in which, the times at which, and the terms for which the members of the board of education created pursuant to this section shall be elected or appointed, and their qualifications, compensation, and removal, shall be governed by the general provisions of law governing school district governing boards; except that, in order to provide for an orderly transition, the members of the board

in office on the effective date of the charter amendment shall each continue in office until the first day of April next succeeding the year in which their respective terms of office would otherwise have terminated.

SEC. 396.5. Article 2 (commencing with Section 7050) is added to Chapter 1 of Part 5 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

Article 2. Political Activities of School Officers and Employees

7050. The Legislature finds that political activities of school employees are of significant statewide concern. The provisions of this article shall supersede all provisions on this subject in any city, county, or city and county charter as well as in the general law of this state.

7051. This article applies to all officers and employees of a local agency.

"Local agency" means a county superintendent of schools, an elementary, high, or unified school district, or a community college district.

Officers and employees of a given local agency include officers and employees of any other local agency whose principal duties consist of providing services to the given local agency.

7052. Except as otherwise provided in this article, or as necessary to meet requirements of federal law as it pertains to a particular employee or employees, no restriction shall be placed on the political activities of any officer or employee of a local agency.

7053. No one who holds, or who is seeking election or appointment to, any office or employment in a local agency shall, directly or indirectly, use, promise, threaten or attempt to use, any office, authority, or influence, whether then possessed or merely anticipated, to confer upon or secure for any person, or to aid or obstruct any person in securing, or to prevent any person from securing, any position, nomination, confirmation, promotion, change in compensation or position, within the local agency upon consideration or condition that the vote or political influence or action of such person or another shall be given or used in behalf of, or withheld from, any candidate, officer, or party, or upon any other corrupt condition or consideration. The prohibitions of this section shall apply to either urging or discouraging any political action of an employee.

7054. Except as provided in Sections 7056, 35174 and 72632, no school district or community college district funds, services, supplies, or equipment shall be used for the purpose of urging the passage or defeat of any school measure of the district, including, but not limited to, the candidacy of any person for election to the governing board of the district.

7055. The governing body of each local agency may establish rules and regulations on the following:

(a) Officers and employees engaging in political activity during

working hours.

(b) Political activities on the premises of the local agency.

7056. Nothing in this article prevents an officer or employee of a local agency from soliciting or receiving political funds or contributions to promote the passage or defeat of a ballot measure which would affect the rate of pay, hours of work, retirement, civil service, or other working conditions of officers or employees of such local agency, except that a local agency may prohibit or limit such activities by its employees during their working hours and may prohibit or limit entry into buildings and grounds under the control of a local agency for such purposes during working hours.

7057. No person who is in the classified service or who is upon any eligibility list shall be appointed, demoted, or removed, or in any way discriminated against because of his political acts, opinions, or affiliations.

SEC. 397. Section 8243.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

8243.5. Commencing November 1, 1977, and on or before November 1st for each year thereafter, the Superintendent of Public Instruction shall submit to the Joint Budget Committee of the Legislature a report documenting the performance of child development programs operating pursuant to this chapter during the preceding fiscal year. Each annual report shall include, but is not limited to, the following information:

(a) Statistical data enumerating and describing children and families served by the programs, including distributions of families and children by income levels, by ethnic groupings, by children's ages, by marital status of parents, by reasons for receiving child care service (i.e., employment, training, education, protection), by public assistance status, and by family size.

(b) Statistical data enumerating and describing the characteristics of programs, including the types of programs in terms of size and type of facilities utilized, types of agencies operating programs as defined by Section 8213, and the staff-child ratios and the staff composition for each type of program and for each type of operating agency.

(c) Cost data describing the total costs and the average cost per hour of service for each type of program (as defined for purposes of subdivision (b)) and for each type of operating agency as defined by Section 8213.

(d) Evaluate data describing the quality of child development programs in accordance with measurement criteria as established by the Superintendent of Public Instruction.

Each annual child development report shall be in two parts: one part shall relate to subsidized child care services and one part shall relate to services under the State Preschool Program.

SEC. 398. Section 8331 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

8331. Sections 8329 and 8330 shall not apply to the part-day pre-

school programs described in subdivision (f) of Section 8211.

SEC. 399. Chapter 2.5 (commencing with Section 8400) is added to Part 6 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

CHAPTER 2.5. ALTERNATIVE CHILD CARE PROGRAMS

Article 1. General Provisions

8400. This chapter shall remain in effect only until June 30, 1979, and as of that date is repealed.

The Legislature declares that it is necessary to design effective and economical methods for meeting the future requirements of California families eligible for subsidized child care. Therefore,

(a) It is the intent of the Legislature that funds allocated pursuant to this chapter shall:

(1) Test potential cost-reducing features and delivery methods on a trial basis in child care programs; and

(2) Insure that a broad range of services is available to maximize the opportunity for parental choice.

(b) It is further the intent of the Legislature that child care programs funded through this chapter be designed to:

(1) Address the unmet needs in urban, suburban, and rural areas of the state;

(2) Encourage community level coordination in support of child care services; and

(3) Offer replicable features which may be adopted by other child care provider agencies.

(c) The Legislature further declares its intent to fund programs that may be implemented through a variety of delivery systems.

8401. Eligibility for subsidized child care services pursuant to this chapter shall be based on a family's ability to pay, as determined by family size and gross income. Initial eligibility shall be limited to families whose gross income is 84 percent or less of California's median family income, adjusted for family size. Priority in the initial admission to a program providing such services shall be given to working single-parent families and working families with the lowest income, and single-parent families or families with the lowest income who require subsidized child care in order to maintain or commence an employment training plan or in order to seek employment.

Exceptions to these eligibility and priority standards may be made for children who are neglected or abused, or at risk of being neglected or abused, upon written referral from a public or voluntary social service agency.

8402. The Superintendent of Public Instruction shall establish a fee schedule for families utilizing child development services pursuant to this chapter.

No recipient of public assistance shall pay a fee. This fee schedule shall conform to that allowed by the federal social service regulations

as designated in the California State Plan for Social Services.

8403. The Superintendent of Public Instruction shall establish guidelines according to which providers of services pursuant to this chapter will certify children as eligible for reimbursement pursuant to Sections 8401 and 8402.

8404. The maximum reimbursement rate by the Department of Education for child-hour costs for child care services provided pursuant to this chapter shall be one dollar and fourteen cents ($1.14), minus parent fees, or the actual program costs, minus parent fees, whichever is less, for children age two years and over. For children under two years of age, the maximum reimbursement level shall be one dollar and thirty-five cents ($1.35), minus parent fees, or actual program costs minus parent fees, whichever is less. These maximum reimbursement rates may be waived, on a limited basis, by the Superintendent of Public Instruction, upon approval of the Secretary of the Health and Welfare Agency, for programs that demonstrate a need for increased reimbursement due to special circumstances directly related to the health and welfare of participating children.

The Superintendent of Public Instruction may authorize increased reimbursement for such programs not sooner than 30 days after notification in writing of the necessity therefor to the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee, or not sooner than such earlier time as the chairman of said committee, or his designee, may in each instance determine.

If programs operated pursuant to this chapter utilize reimbursement procedures other than payment per child-hour, the cost per child, when converted to child-hours, shall not exceed the applicable maximum reimbursement level.

Article 2. Administration and Waiver Provisions

8410. All programs operated pursuant to this chapter shall be by contract with the Department of Education and shall adhere to all applicable rules and regulations established by the Superintendent of Public Instruction. Such rules and regulations shall be adopted after the Secretary of the Health and Welfare Agency has been given an opportunity to provide his advice and recommendations and shall be consistent with the operative licensing interagency agreement between the Department of Education and the State Department of Health.

8411. To promote greater program flexibility for programs under this chapter, the requirements of Chapter 2 (commencing with Section 8200) of this part are not applicable to programs established pursuant to this division. The Superintendent of Public Instruction may waive other Education Code provisions for the implementation of programs established pursuant to this chapter.

8412. All programs authorized by the Department of Education pursuant to this chapter, shall, as a minimum, comply with the stand-

ards of Chapter 4 (commencing with Section 31001) of subdivision 4 of Part II of Division 2 of Title 22 of the California Administrative Code (adopted pursuant to Sections 10552, 10553, and 10554 of the Welfare and Institutions Code and pursuant to Sections 1527, 1530, and 1531 of the Health and Safety Code), until such time as Chapter 6 of Division 6 of Title 22 of the California Administrative Code is operative, and at such time shall comply with the standards of such provisions.

8413. In order to assess the effectiveness and economy of the various child care delivery models tested through the provisions of this chapter, each provider agency shall submit to the Superintendent of Public Instruction at least annually, a report, in a form and manner prescribed by the superintendent after consultation with the Secretary of the Health and Welfare Agency. Such reports shall include such statistical data, program description, and fiscal information as the superintendent may require.

8414. The superintendent shall submit to the Legislature and the Governor a preliminary report by May 1, 1977, and an annual report thereafter prior to November 1 of each year, on the child care programs implemented for the preceding fiscal year under this chapter. This report shall include an assessment by the Superintendent of Public Instruction of the degree to which programs implemented pursuant to this chapter have met the purpose of this chapter as set forth in subdivisions (a) and (b) of Section 8400. Such report shall also include the superintendent's recommendations for appropriate regulatory and statutory changes.

The report shall include, as a minimum, the following:

(a) Statistical data enumerating and describing children and families served by the programs, including distributions of families and children by income levels, by ethnic groupings, by children's ages, by marital status of parents, by reasons for receiving child care service (i.e., employment, training, education, protection), by public assistance status, and by family size.

(b) Statistical data enumerating and describing the characteristics of programs, including the types of programs in terms of size and type of facilities utilized, types of agencies operating programs, and the staff-child ratios and the staff composition for each type of program and for each type of operating agency.

(c) Cost data describing the total costs and the average cost per hour of service for each type of program and for each type of operating agency.

(d) Evaluative data describing the quality of child development programs in accordance with measurement criteria as established by the Superintendent of Public Instruction after consultation with the Secretary of the Health and Welfare Agency.

8415. The Department of Education shall contract, after consultation with the Secretary of the Health and Welfare Agency, for an independent comparative evaluation of data collected pursuant to Section 8414 and similar program reporting requirements of Chapter

2 (commencing with Section 8200) of this part. Such evaluation shall include: (1) validation of the data collected to meet reporting requirements for this chapter and Chapter 2 (commencing with Section 8200) of this part; (2) comparison between like models under this chapter; and (3) comparison of like models funded under this chapter which contain comparable components with models funded under Chapter 2 (commencing with Section 8200) of this part. The preliminary evaluation shall be submitted to the Legislature by January 1, 1978, and the final evaluation shall be submitted to the Legislature by January 1, 1979.

Article 3. Payment Procedures

8420. Upon the approval of the Department of Education, funds appropriated for the purposes of this chapter may be used for vendor payment arrangements to allow for maximum parental choice. The specific design of the vendor payment arrangement may be developed at the local level and various methods of reimbursement for parental costs for child care may be employed. All such arrangements must conform to the eligibility criteria and the parent fee schedule established pursuant to Sections 8401 and 8402.

8421. This chapter shall not be construed as requiring one type of reimbursement structure. Options for reimbursement processes include, but are not limited to: hourly rate reimbursement based on actual child-hours of attendance, unit reimbursement per child, or direct grants for yearly operation. All such processes shall be subject to the maximum reimbursement levels established by Section 8404.

8422. The Department of Education may authorize a cash advance of up to 10 percent of a child care provider's estimated grant to provide initial working capital.

Article 4. Description of Programs

8430. Delivery systems, approved by the Department of Education, and funded pursuant to this chapter, may include, but are not limited to, individual family day care homes and networks of family day care homes, group, and center child care approaches and networks of such arrangements which provide nonmedical care to the infants and preschool and school-age children under 18 years of age during a portion of the day. Flexibility may be added to center programs by affiliating with family day care homes, by coordinating efforts with a resource and referral center, or by arranging to provide direct family subsidies to expand the number of care options. Family day care networks may furnish a variety of services to providers and users while children are cared for in family day care homes. Family day care providers may choose to remain independent or to affiliate either with each other, with a service agency, or with a child care center in a satellite relationship.

The Superintendent of Public Instruction shall encourage the es-

tablishment of worksite child care centers by private organizations and companies or by incorporated parent groups.

8431. Program variations shall include at least one cost-reducing feature or delivery method which may include:

(a) Modification of child-staff ratios for specific age groups;

(b) Modification of child-teacher ratios for specific age groups;

(c) Expanded use of differentiated staffing;

(d) Expanded use of volunteers;

(e) Increased coordination and use of local resources; and

(f) Coordinated use of family day care homes and center facilities.

8432. Programs operated pursuant to this chapter may be designed to meet special needs identified by parents, which may include, but are not limited to: before school and after school care for school age children, expanding to full day care during school holidays and summer vacation; weekend care; night shift care; worksite care; temporary emergency child care; child care for ill children; and programs to allow older children to check in at a family day care home and proceed individually to supervised activities elsewhere.

Article 5. Support Services

8435. Upon approval of the Department of Education after consultation with the Secretary of the Health and Welfare Agency, funds appropriated for the purposes of this chapter may be used for minor capital outlay purchases and facility renovation, by child care organizations and family day care home operators for the purpose of insuring compliance with local health and safety standards as well as state standards prescribed in Section 8412. Funds appropriated for this purpose shall be allocated only to public entities, which may, in turn, enter into agreements with a public agency or with a private foundation, a nonprofit corporation, a proprietary organization or facility, or with a family day care home operator, in order to carry out the provisions of this section. Requests and justification for such grants for capital outlay purchases, and facility renovations must be submitted to the Department of Education for prior approval. Approved expenditures may be on a depreciation basis or a loan basis and shall be processed and accounted for by the public entity which is the recipient of the grant. Approval for expenditure of funds in these ways will be granted only for renovations necessary to meet required local health and safety standards, as well as state standards prescribed in Section 8412.

8436. Funds appropriated for the purposes of this chapter may be used for resource and referral centers which may be operated by public or private entities. For purposes of this chapter, resource and referral centers, established in a definite geographic area, may provide, but are not limited to, the following support services and coordinating functions:

(a) Identifying existing child care provider;

(b) Identifying unmet child care needs;

(c) Maintaining an information and referral service for child care users;

(d) Locating and making available to child care providers community resources, including health care, staff development programs, social services, volunteers, and related services;

(e) Centralizing services such as planning, accounting, purchasing, monitoring and evaluation to maximize the effectiveness of available child care funds;

(f) Establishing and maintaining a communications network with appropriate local, state and federal agencies;

(g) Coordinating child care services expansion programs;

(h) Disseminating information about child care resources and issues to the community;

(i) Providing technical assistance to providers and to community organizations as required and requested;

(j) Reimbursing individuals for home-based information service costs; and

(k) Distributing and accounting for funds employed by other public and private agencies to insure compliance with health and safety standards, if the resource and referral center is a public entity's responsibility.

8437. The Department of Education may contract with individuals or groups for the provision of resource and referral centers. Qualified individuals may subcontract with a resource and referral center to provide a neighborhood or community child care service, which may include any item in subdivisions (a) through (j) of Section 8436.

8438. Funds provided for support services pursuant to Sections 8435, 8436, and 8437, shall not be included in determination of a program's maximum reimbursement level, as established by Section 8404.

8439. Notwithstanding the provisions of Section 8411, no program funded pursuant to this article may include religious worship or instruction, nor may any funds be used for the general support of any private or church-related school system.

Article 6. Application Procedures

8440. Funds appropriated for the purposes of this chapter may be allocated for programs proposed by groups and organizations not currently delivering child care services. Nothing in this chapter shall preclude existing child care provider agencies from applying for the funds made available under this chapter, provided that such agencies demonstrate an unmet need and serve additional children through a separately identified program using one or more alternative implementation designs as described in Sections 8431 and 8432. Individuals or small groups may apply directly to the Department of Education or participate in a subcontract arrangement for the provision of child care services authorized by this chapter.

8441. Programs shall be selected by the Superintendent of Public

Instruction from the applications submitted to the Department of Education, after consultation with the Secretary of the Health and Welfare Agency.

8442. The Superintendent of Public Instruction shall fund a representative selection of programs within specified urban, suburban, and rural areas on the basis of competitive applications under the provisions of this chapter. At least one urban, one suburban, and one rural area, as defined by the Superintendent of Public Instruction, shall be designated.

The Department of Education shall require that applications submitted for funding include, but need not be limited to:

(a) A description of the proposed geographic area of service in terms of its category (e.g., rural, urban), its specific boundary limitations (square mileage), and special characteristics (e.g., mountain, desert, inner city, isolation, weather);

(b) A description of available services and facilities within the defined geographical area;

(c) Documentation of unmet need for child care to be provided by the applicant;

(d) A description of the applicant's proposed program, by type and purpose, also including evidence of community support factors, the present availability of resources, and the applicant's administrative capability; and

(e) Such additional information as is determined to be needed by the Superintendent of Public Instruction.

8443. Upon receipt of applications by the Department of Education, the data supplied by each applicant shall be used to assign relative funding priority, on the basis of criteria developed by the Superintendent of Public Instruction after consultation with the Secretary of the Health and Welfare Agency. Such criteria may include, but are not limited to:

(a) Unit cost, according to the type and scope of the proposed program;

(b) Use of cost-reducing features described in Section 8411;

(c) Quality and validity of needs data;

(d) Extent of unmet need;

(e) Proposed impact on unmet need;

(f) Number of families to be served who are eligible for subsidy pursuant to this division;

(g) Uniqueness of delivery system;

(h) Administrative capability;

(i) Community support factors; and

(j) Degree of parental choice.

8444. The Superintendent of Public Instruction shall seek to fund a variety of applicants so that groups from various sectors, such as public agencies, private agencies, business-sponsored groups, community-based groups, and educational institutions are represented.

8445. The Superintendent of Public Instruction shall include within the annual budget of the Department of Education an amount

sufficient to fund programs established pursuant to this chapter.

Article 7. Governor's Advisory Committee

8450. The advisory committee established pursuant to Section 8254 shall also perform the following functions with regard to this chapter.

(a) Review the development of all child care programs, and gather public input as to the appropriateness and effectiveness of program implementation;

(b) Serve in an advisory capacity to the Superintendent of Public Instruction and the Governor for program policy decisions;

(c) Review the needs data gathered and suggest priority areas for future service expansion;

(d) Assist the Department of Education in developing and reviewing alternative child care delivery systems; and

(e) Make recommendations to the Governor, the Department of Education, and other agencies with regard to program development and expansion.

Article 8. Appropriation

8460. There is hereby appropriated from the General Fund to the Department of Education the sum of ten million dollars ($10,000,000) for expenditure in fiscal year 1976–77, as follows:

(a)	Direct program services		$8,225,000
	Schedule:		
	(1) Family day care homes and networks	$3,000,000	
	(2) Center-based group care and innovative programs	$2,225,000	
	(3) Vendor payments, to maximize parental choice	$3,000,000	
(b)	Support services		$1,400,000
	Schedule:		
	(1) Resource and referral centers	$900,000	
	(2) Minor capital outlay	$500,000	
(c)	Program administration		$375,000
	Schedule:		
	(1) For support of the Governor's Advisory Committee on Child Development	$25,000	
	(2) For support of the Department of Education for the purposes of program administration and reporting on the effect of programs funded pursuant to this act in meeting the purposes of subdivisions (a) and (b) of Section 8400	$250,000	

(3) For support of the independent comparative evaluation conducted pursuant to Section 8415..... $100,000

Funds appropriated in any of the categories scheduled above may be transferred among such categories upon the written approval of the Director of Finance.

SEC. 400. Section 8512 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

8512. Effective July 1, 1977, (a) for noncredit classes or programs offered in community colleges pursuant to this division, average daily attendance for state apportionment purposes shall only be calculated for such classes or programs which by mutual agreement are the responsibility of the community colleges pursuant to Sections 8530 and 8531; and (b) for noncredit classes or programs offered in the community colleges and for classes for adults offered in high schools or adult schools pursuant to this division, average daily attendance for state apportionment purposes shall only be calculated for such classes or programs which by mutual agreement are the responsibility of the community colleges or of the high school or unified school districts pursuant to Sections 8532 and 8533.

SEC. 401. Section 10916 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

10916. (a) Each elementary, high, and unified school district shall, by October 31, 1976, and August 31 of each year thereafter, report to the Department of Education expenditures made from the proceeds of the tax authorized by Section 42200 in the preceding fiscal year.

(b) Each community college district shall, by August 31 of each year, report to the chancellor's office expenditures made from the proceeds of the tax authorized by Section 85110 in the preceding fiscal year.

(c) A report required by subdivision (a) or (b) shall include:

(1) The rate at which the tax was levied.

(2) The expenditures made from the proceeds of the tax, including employee salaries, employee benefits, supplies, maintenance, other operating costs, debt service, capital outlay, and ending balance at the close of the fiscal year.

(3) Types of programs supported.

(4) Other related information, as determined by the Department of Education or the chancellor's office, as the case may be.

(d) "Capital outlay" as used in paragraph (2) of subdivision (c) eans the amounts paid for the acquisition of fixed assets, including d or existing buildings; improvements of grounds; construction of ldings; additions to buildings; or initial and additional equipment.

:) School district reports developed pursuant to subdivisions (a), and (c) shall be recorded in the minutes and the journal of the :rning board of the respective school districts, including commu- colleges.

The Department of Education and the Chancellor of the Cali-

fornia Community Colleges shall annually submit to the Legislature a summary of the contents of the reports submitted to them pursuant to subdivisions (a) and (b), respectively.

(g) This section shall remain in effect only until December 31, 1978, and is repealed as of such date.

SEC. 404. Section 16051.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

16051.5. The area of any building, the construction of which was financed by the proceeds of a tax levied pursuant to Section 49502 or 76482, shall not be included in any computation of the area of adequate school construction existing in any applicant school district under this chapter.

SEC. 405. Section 16071.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

16071.5. The amounts raised and to be raised by the district during the current fiscal year for repayment of principal and interest for any bonds, issued and sold by an applicant district, which are in excess of the "basic bond requirement", as defined in Section 16002.5, shall not be considered as "eligible bonded debt service" for purposes of computing repayments or deferments pursuant to Sections 16070, 16072, 16073, 16084 and 16086.

SEC. 406. Section 16321.7 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

16321.7. Notwithstanding the provisions of Section 16319, apportionments may be made to a school district for the purpose of replacing an existing substandard building which formerly housed the district's high school, and which was subsequently replaced by a new high school building using an apportionment received under this chapter, but which continued to be used by the district for elementary school purposes from the time of completion of the new high school in the 1958–59 school year until November 1971, when the pupils were transferred from the unsafe school building to temporary structures.

SEC. 407. Section 16330.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

16330.5. Notwithstanding Sections 39230 and 81180 or anything to the contrary in this article, whenever the State Allocation Board determines that state funds are not available to make an apportionment for an otherwise eligible project in the amount computed pursuant to Section 16330, an application may be approved and an apportionment made for one dollar ($1) only. In such instances the project may be financed by the applicant district using funds derived from a twenty-cent ($0.20) tax levy provided by Sections 39230 and 81180 together with any other funds available to the district for such purposes.

SEC. 408. Section 18534.3 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

18534.3. The board of supervisors may divide the principal amount of any issue into two or more series and fix different dates for the

bonds of each series. The bonds of one series may be made payable at different times from those of any other series.

SEC. 409. Section 18534.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

18534.5. The board of supervisors may provide for redemption of bonds before maturity at prices determined by it. A bond shall not be subject to call or redemption prior to maturity unless it contains a recital to that effect.

SEC. 410. Article 14.5 (commencing with Section 18555) is added to Chapter 3 of Part 11 of the Education Code, as enacted by Chapter 1010 of the Statutes of 1976, to read:

Article 14.5. Sale of Unsold Bonds

18555. When the board of trustees of the library district determines that the purpose and object of the bonds has been accomplished, it may request the board of supervisors to cause any unsold bonds to be issued and sold and the proceeds thereof used for any or all of the purposes set forth in Section 18510.

18556. Upon receiving the request, signed by a majority of the members of the board of trustees, the supervisors shall fix a time for hearing the request, which shall not be more than 30 days thereafter, and shall cause a notice, stating the time and place of hearing, and the object of the request in general terms, to be published for 10 days prior to the day of hearing in a newspaper published in the library district, if there is one, and if there is no newspaper published in the library district, then in a newspaper published at the county seat of the county in which the library district or part thereof is situated.

18557. At the time and place designated in the notice for hearing the request, or at any subsequent time to which the hearing may be postponed, the supervisors shall hear any reasons that may be submitted for or against the granting of the request. If, before the conclusion of the hearing, a petition signed by registered voters within the district equal to not less than 10 percent of the vote cast within the boundaries of the district for all candidates for governor at the last gubernatorial election requesting an election is not filed, the board of supervisors may, if they determine it to be for the best interests of the library district, grant the request. In such event, they shall make and enter an order in the minutes of their proceedings that the unsold bonds shall be sold and the proceeds used for the purposes specified in the request.

18558. In the event a petition, as set forth in Section 18557, is filed, the board of supervisors shall not grant the request without first submitting the question to the voters in the same manner and with the same effect as provided for a referendum by the electors of a district pursuant to Section 5200 of the Elections Code.

SEC. 410.5. Section 22141 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

22141. (a) "Projected salary" means a 2-percent increase com-

pounded annually applied to the salary used in computing the disability or family allowance. When computing a family allowance under paragraphs (3) and (4) of subdivision (e) of Section 23804 and Section 23911, projected salary will be computed from July 1st of the year of death to the June 30th prior to age 60. If death occurred when the member was receiving a disability allowance, projected salary will be computed from July 1st of the year in which the disability allowance was effective through the June 30th prior to age 60. When computing a family allowance under paragraphs (1) and (2) of subdivision (e) of Section 23804, when death occurs while the member was on disability, projected salary will be computed from July 1st of the year of disability to the June 30th prior to death.

(b) Subdivision (a) is the successor to Section 13846.5 of the Education Code as enacted by Chapter 2 of the Statutes of 1959, as added by Chapter 1308 of the Statutes of 1976.

SEC. 411. Section 22141.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

22141.5. (a) "Projected salary" means a 2-percent increase compounded annually applied to the salary used in computing the disability or family allowance. When computing a family allowance under paragraphs (3) and (4) of subdivision (e) of Section 23804, and Section 23911, projected salary shall be computed from July 1st of the year of death or disability to the June 30th prior to age 60. If death occurred when the member was receiving a disability allowance, projected salary shall be computed from the first day of July of the year in which the disability allowance was effective to the June 30th prior to age 60. When computing a family allowance under paragraphs (1) and (2) of subdivision (e) of Section 23804, when death occurs while the member was on disability, projected salary shall be computed from July 1st of the year of disability to the June 30th prior to death.

(b) Subdivision (a) is the successor to Section 13846.4 of the Education Code, as enacted by Chapter 2 of the Statutes of 1959, as added by Chapter 1412 of the Statutes of 1976.

SEC. 412. Section 22229 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

22229. The members of the Teachers' Retirement Board who are not members of the system and who are appointed by the Governor pursuant to Section 22200 shall receive fifty dollars ($50) for every day of actual attendance at meetings of the board or any meeting of any committee of the board of which committee such person is a member, and which committee is conducted for the purpose of carrying out the powers and duties of the board, together with their necessary traveling expenses incurred in connection with performance of their official duties.

SEC. 413. Section 22504 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

22504. Any person who is a member who subsequently is employed by the same or a different school district or by a county superintend-

ent, to perform duties which require membership in a different public retirement system in this state, shall continue to be a member, unless he elects, in writing and files in the office of this system, within 90 days after such entry, not to continue as a member in his new position. This section shall also apply to changes in employment effected on or after January 1, 1976, if an election is made on or before April 1, 1977.

SEC. 414. Section 22608 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

22608. Any person who is a member of the Public Employees' Retirement System and employed by a school district or by a county superintendent, and who subsequently is employed in a position requiring membership in this system is excluded from membership in this system if he elects, by a writing filed in the office of the Board of Administration of the Public Employees' Retirement System, within 90 days after such entry, to continue as a member of the Public Employees' Retirement System in his new position. This section shall also apply to changes in employment effected on or after January 1, 1976, if an election is made on or before April 1, 1977.

SEC. 415. Section 22725 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

22725. A member or retirant may elect to receive credit for time served in certificated teaching positions in child care centers operated by a county superintendent of schools or a school district if he was employed in a position requiring membership in the system within one year prior to entering such service. In no event shall a member receive credit for such service if he receives, or is eligible to receive credit for such service from another retirement system.

SEC. 416. Section 22726 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

22726. If a member is eligible for and elects to receive credit for service under the provisions of Section 22725, he shall pay prior to retirement or payment of a disability allowance, whichever occurs first, and in a manner provided by the board, all contributions with respect to such service. If the member is employed contributions shall be based upon the full compensation earnable at the time of election, and in the amount of:

(a) Eight percent of such compensation as employer and state cost of granting service credit and,

(b) Eight percent of such compensation as the member's cost of granting service credit.

If the member is not currently employed, contributions shall be based upon the full compensation earnable at the time of last employment in a position requiring membership in the system in the amounts of subdivisions (a) and (b) above plus regular interest from the end of the school year in which last employed to the date of election.

The employing school district may pay the amount required in subdivision (a).

SEC. 417. Section 22727 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

22727. If a retirant elects to receive credit for service under the provisions of Section 22725, he shall pay to the system the present value as of his age at the date of election for such service based upon his final compensation and retirement factor at retirement. Such payment to the system shall be in a manner prescribed by the board and the system shall recalculate the retirant's allowance for prospective payment only. The new allowance shall constitute the base for application of the improvement factor under Section 22131.

SEC. 418. Section 23400.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

23400.5. Any employer, other than the state, on behalf of any group of members or any member, may elect to make tax-sheltered annuity contributions for the purpose of providing additional benefits. An election by an employer to make such contributions does not require any member to make contributions and such contributions shall continue in effect for such period as shall be specified in the election filed with the board and a member shall acquire no right by reason of his employment while such election is in effect to a continuation of such contributions beyond the period specified in the election.

Wherever in this chapter provision is made with respect to accumulated tax-sheltered annuity contributions of a member such term shall include contributions made by an employer pursuant to this section.

Contributions made by an employer under this section are excluded from "compensation" and "salary" as provided in Section 22114.

SEC. 419. Section 23701 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

23701. If no beneficiary designation is in effect on the date of death, any benefit payable shall be paid to the survivors of the member in the following order:

(a) Surviving spouse.

(b) Issue or legally adopted offspring of the most recent marriage.

Payment shall be to the members of the group entitled, share and share alike. No payment shall be made to persons in any group if at the time of death there are living persons in any group preceding it.

If there is no effective beneficiary designation and there are no survivors entitled to the benefit under this section, the benefit shall be paid to the estate of the member.

Payment pursuant to the board's determination in good faith upon evidence satisfactory to it of the existence, identity or other facts relating to entitlement of persons under this section shall constitute a complete discharge of and release of the system from liability for the benefit.

SEC. 420. Section 23904.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

23904.5. Any member with a disabling impairment which is amenable to treatment that could be expected to restore ability to work

shall be deemed to be under a disability if undergoing therapy prescribed by the member's treatment sources but the impairment has continued to be disabling or can be expected to be disabling for at least 12 months. Such member who willfully fails to follow prescribed treatment or who refuses to accept rehabilitation services made available to him by a rehabilitation program approved by the board cannot be found disabled. Willful failure to follow prescribed treatment does not exist if there is good cause for failure to follow such treatment. In determining whether a member has good cause for failure to follow such treatment, the board shall take into account whether such treatment would abridge the member's right to the free exercise of his religion.

SEC. 421. Section 23910.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

23910.5. A disability allowance shall become effective upon any date designated by the member, provided:

(a) An application for disability allowance is filed on a form provided by the system, which is executed no earlier than the day following the last day on which service is performed,

(b) The designated effective date is later than the last day of service for which salary is payable to the member,

(c) The designated date does not fall on a weekend or holiday contiguous with the last day of service for which salary is paid to the member,

(d) The designated date is no earlier than the first day of the month in which the application is received by the system in Sacramento,

(e) The designated date is no earlier than the date upon and continuously after which the member is determined to the satisfaction of the board to have been mentally incompetent.

SEC. 422. Section 23910.6 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

23910.6. Where a disabilitant returns to a position requiring membership or has his allowance terminated because of Section 23910 and within six months of return suffers a recurrence of the original disability it shall be considered, for the purpose of determining the duration of the disability, that the condition had its onset as of the date the member first became disabled. The former disability allowance shall be reinstated as of the first day of the month in which the recurrence of the disability occurred provided the member complies with the provisions in Section 23903.

SEC. 423. Section 24104 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

24104. The first three hundred dollars ($300) of the monthly allowances payable by the system to retirants, disabilitants, and beneficiaries are increased as of July 1, 1976, as follows if the member had 20 or more years of credited service:

(a) For those with effective dates prior to July 1, 1972, 9 percent;

(b) For those with effective dates from July 1, 1972, to June 30,

1973, 6 percent;

(c) For those with effective dates from July 1, 1973, to June 30, 1974, 3 percent.

SEC. 424. Section 24105 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

24105. The state shall contribute nine million three hundred thousand dollars ($9,300,000) annually to the Teachers' Retirement Fund for a period of 28 years from July 1, 1976, until July 1, 2004. This amount shall be paid in equal monthly installments.

SEC. 425. Section 24202 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

24202. If death occurs after the effective date of retirement stated by the member in his application for retirement, and an acceptable application is on file with the system, and an unmodified allowance was not elected, and the member has not filed an election of an option, the member shall be retired as of the effective date shown on the retirement application or such later date as specified under Section 23900 and shall be considered to have formally elected Option 2 naming the beneficiary shown on said application to receive benefits from this system.

SEC. 426. Chapter 1.5 (commencing with Section 33080) is added to Part 20 of the Education Code, to read:

CHAPTER 1.5. PURPOSE

33080. Each child is a unique person, with unique needs, and the purpose of the educational system of this state is to enable each child to develop all of his or her own potential.

SEC. 427. Section 33318 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

33318. (a) The Department of Education shall report the test results of all state-mandated testing programs to the individual school districts by not later than September 15th following the testing.

(b) The district superintendent may publicly report the results of a state-mandated testing program as they affect the district at the first regularly scheduled meeting of the governing board of the district after the statewide results have been presented to the State Board of Education.

SEC. 428. Article 8 (commencing with Section 33400) is added to Chapter 3 of Part 20 of the Education Code, to read:

Article 8. Educational Evaluations

33400. It is the intention of the Legislature in enacting this article that:

(a) Evaluations shall be performed in such a manner as to minimize the resources required of school districts in the collection, analysis, and reporting of evaluation information. In order to achieve this goal, program evaluations shall require only that information which

is essential to the Department of Education for carrying out statutorily mandated functions, and shall be conducted only as necessary for the conduct of such functions. In addition, such evaluations shall (1) be fully coordinated with one another, (2) make maximum use of the statewide testing program when appropriate, and (3) make maximum use of appropriate scientific sampling procedures.

(b) Evaluations shall be performed and reported in such a manner as to maximize their utility to decisionmakers in the Legislature.

33401. The Department of Education shall submit to the State Board of Education a detailed, annual plan of evaluation activities not later than March 15th of each year. The board shall review the plan in accordance with the criteria specified in subdivision (a) and (b) of Section 33400.

33402. The Department of Education shall submit to the Legislature not later than March 5th of each year a summary of program evaluations. The report shall summarize the findings of program evaluations conducted by the department. It shall provide information concerning (a) the funding history, (b) the number of pupils involved, (c) the program objectives, (d) its effectiveness in reaching program objectives, and (e) the effectiveness and relative effectiveness in promoting pupil achievement of different programs.

The annual summary shall include a brief description of educational projects, programs, or program components which are maintained by an individual school regardless of state, federal, or local funding sources which are exemplary.

33403. The Department of Education shall perform evaluations of educational programs in accordance with one of the following levels of evaluation:

(a) A descriptive report of an individual educational program which describes the objectives and components of the subject program, the number of pupils involved, and contains general information regarding the program's cost and the extent of implementation of the program.

The department shall prepare or have prepared descriptive reports for the following programs:

(1) Experimental kindergarten programs, pursuant to Section 41380;

(2) Year-round school programs, pursuant to Chapter 4 (commencing with Section 37500) and Chapter 5 (commencing with Section 37600) of Part 22;

(3) Indian education centers, pursuant to Article 6 (commencing with Section 33380) of Chapter 3 of Part 20;

(4) Bilingual teacher corps, pursuant to Article 2 (commencing with Section 52150) of Chapter 6 of Part 28;

(5) Alternative schools programs, pursuant to Chapter 3 (commencing with Section 58500) of Part 31;

(6) Private schools for the handicapped, pursuant to Article 3 (commencing with Section 56030) of Chapter 1 of Part 30; and

(7) Professional development centers, pursuant to Article 10

(commencing with Section 44630) of Chapter 3 of Part 25.

(b) Individual program evaluations performed pursuant to Sections 33520, 58607, 52327, and 56351.

(c) A multiple-funded program evaluation, consisting of a comprehensive evaluation of the impact on a local school site of educational programs which are financed by multiple state or federal sources.

The Department of Education shall perform multiple funded program evaluations for the following programs:

(1) Early childhood education programs, pursuant to Chapter 6 (commencing with Section 52000) of Part 28;

(2) Educationally disadvantaged youth programs, pursuant to Chapter 1 (commencing with Section 54000) of Part 29;

(3) Compensatory education, pursuant to Article 2 (commencing with Section 54420) of Chapter 4 of Part 29;

(4) Bilingual education programs, pursuant to Article 1 (commencing with Section 52100) of Chapter 7 of Part 28; and

(5) Miller-Unruh reading programs, pursuant to Article 3 (commencing with Section 60640) of Chapter 5 of Part 33.

Such evaluation shall contain information obtained by whatever means possible regarding pupil growth in the subject program, information regarding the expected achievement of comparable groups of pupils who do not receive specialized educational services, information regarding program costs, and inferential judgments regarding the effectiveness of the programs. An objective of such evaluation shall be to illustrate the relative effectiveness of different program elements regardless of source of funding. The Department of Education shall identify those programs which are judged to be least effective.

For each of the funding sources identified in the multiple-funded evaluation report, the Department of Education shall include a separate chapter which will present data from schools funded solely by that source. Each of these chapters will provide, to the extent possible, information regarding pupil growth, the expected achievement of comparable groups of pupils, information regarding program costs, and inferential judgments regarding the quality of programs funded by that source.

33404. It is the understanding of the Legislature that the evaluation needs of the educational programs specified in Section 33403 change over a period of time and during the progress of the programs and, therefore, the Legislature may require through supplemental language to the Budget Act: (a) That additional types of information or reporting formats be employed; (b) That the level of evaluation specified in subdivision (a), (b), or (c) of Section 33403 be altered to reflect current needs; and (c) That an evaluation shall be conducted by contracted, independent evaluators.

33405. Not later than January 5 of each year, the department shall submit to the Legislature the multiple-funded program evaluation required by this article. The department shall submit in one evaluation report the results of multiple-funded programs. Such report

shall detail the test instruments used to assess the impact of the specialized educational program, the statistical techniques employed, the number of pupils and schools participating in the special program, and the number of schools and pupils which provide educational data which are subsequently used to determine the program's effectiveness.

SEC. 429. Section 35016 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

35016. There may be submitted to the governing board of a school district maintaining one or more high schools a student petition requesting the governing board to appoint one nonvoting student member to the board pursuant to this section.

The petition shall contain the signatures of either (a) not less than 500 students regularly enrolled in high schools of the district, or (b) not less than 10 percent of the number of students regularly enrolled in high schools of the district, whichever is less.

Upon receipt of such a petition, the governing board shall, commencing July 1, 1976, and each year thereafter, include within the membership of the governing board, in addition to the number of members otherwise prescribed, one nonvoting student member. Such student shall have the right to attend each and all meetings of the governing board, except executive sessions.

The student selected to serve as the nonvoting member of the governing board shall be enrolled in a high school of the district and shall be chosen by the students enrolled in the high school or high schools of the district in accordance with procedures prescribed by the governing board. The term of the student member shall be one year commencing on July 1 of each year.

A nonvoting student member shall be entitled to the mileage allowance prescribed by Section 35147 to the same extent as regular members, but is not entitled to the compensation prescribed by Section 35120.

SEC. 430. Section 35046 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

35046. (a) The governing board of a school district may award consultancy contracts to retired certificated employees of the school district who have been employed by the school district for at least 10 years and who are at least 55 years of age.

(b) The governing board of a school district may enter into a contract with a retired certificated employee who has been employed by the school district at least 10 years and who is at least 55 years of age whereby the retired employee is granted a consultancy contract with the school district, which contract is renewable on an annual basis for up to five years or until the retired employee reaches age 65, whichever comes first.

SEC. 431. Article 13.5 (commencing with Section 35335) is added to Chapter 2 of Part 21 of the Education Code, to read:

Article 13.5. School Camps

35335. The governing board of any elementary, high, or unified school district may charge a fee for school camp programs, provided that payment of such fee is not mandatory. No pupil shall be denied the opportunity to participate in a school camp program because of nonpayment of the fee.

The amount of the fee may not exceed the difference between any state, local, or federal funds generated by such a program and the cost of the services actually provided.

For purposes of this section a school camp program is one which is operated pursuant to Article 5 (commencing with Section 8760) of Chapter 4 of Part 6.

SEC. 432. Section 35511.4 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

35511.4. Within 20 days after the filing of a petition under Section 35511, the county superintendent of schools shall examine it and, if he finds it to be sufficient and signed as required by law, transmit the petition simultaneously to the county committee on school district organization and to the State Board of Education.

SEC. 433. Section 35511.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

35511.5. A petition transmitted to the county committee pursuant to this article shall be considered within 30 days by the committee at a regular meeting or special meeting called to review the petition.

The county committee shall prepare a report and recommendation on the petition. It shall report as to whether or not, in the opinion of the committee, the proposed formation of a new elementary school district, high school district, or unified school district formed pursuant to Section 35503, as described in the petition would:

(a) Adversely affect the school district organization of the county;

(b) Be compatible with any master plans submitted by the county committee and approved by the State Board of Education;

(c) Comply with the provisions of Section 35512.1.

In the event that the petition provides for establishing trustee areas, the county committee shall recommend trustee areas that provide for representation in accordance with population and geographic factors of the entire area of the proposed unified school district. The county committee may recommend as many trustee areas as needed, but not to exceed seven. The committee shall also include a provision for the election of members of the governing board by the registered voters of the entire school district or for the election of the member or members residing in each trustee area by the registered voters of that particular trustee area as part of its recommendation.

The report shall also contain a statement of the committee's findings on the adequacy of the proponent's stated reason or reasons for the proposed formation of the new school district, as set forth in the petition.

The report may include a statement by the governing board or boards of the affected district or districts relating to the proposed formation of the new district.

The report may include other pertinent matters which the county committee desires to bring to the attention of the State Board of Education.

SEC. 434. Section 35512.1 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

35512.1. The State Board of Education may approve petitions for the formation of an elementary, high, or unified school district under this article upon the finding that the proposed district or districts will substantially comply with the following conditions:

(a) That the new district or districts will be adequate in terms of numbers of pupils enrolled;

(b) That the new district or districts will be adequate in terms of financial ability. For purposes of determining financial ability consideration shall be given to revenue limits per pupil, assessed valuations per pupil, and tax rates;

(c) That the new district or districts are organized on the basis of substantial community identity;

(d) That the proposal will result in an adequate division of property and facilities of the original district; and

(e) That the proposal and formation of the new district will not promote racial or ethnic discrimination or segregation. The State Board of Education may secure the advice and assistance of any other public agencies concerned with the intergroup relationships for purposes of making determinations under this subdivision.

The State Board of Education may waive the criteria specified in subdivisions (a) through (e) of this section and may approve a proposal for the formation of one or more school districts if the board determines that the circumstances, with respect to the proposals, provide an exceptional situation sufficient to justify approval of the proposals.

The State Board of Education shall adopt rules and regulations to carry out the intent of this section.

SEC. 435. Section 35512.2 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

35512.2. The State Board of Education, if it approves a petition for the formation of a new elementary and new high school district or for the formation of a new unified school district under the provisions of this article, shall include a provision for authorization of a revenue limit per unit of average daily attendance for the proposed new school district, and such provision shall be an inherent part of the proposal, and shall not be construed as a separate proposition. If the reorganization is approved by the registered voters of the area, such revenue limit per unit of average daily attendance shall be the maximum revenue limit per unit of average daily attendance for the type of new district formed until changed by Section 42238 or by the registered voters of the district in the manner prescribed in Section

42202. Such revenue limit per unit of average daily attendance shall not be less than the revenue limit which would be produced if (a) for the fiscal year prior to the fiscal year in which the reorganization becomes effective for all purposes, the sum of the revenue limit of each of the proposed school districts to be wholly included and the proportional share of the revenue limit of each district to be partially included in the proposed reorganized district is divided by the total number of units of average daily attendance that would have been in the proposed reorganized district had it been reorganized in the fiscal year prior to the fiscal year in which the reorganization becomes effective for all purposes plus, (b) the revenue limit per unit of average daily attendance required to equal the amount of the difference between the average certificated and the average classified salary of each of the component school districts, or any portion of a district, during the fiscal year prior to that in which the district becomes effective for all purposes and the highest average certificated and the highest average classified salary of any component district included in the proposal, multiplied by the number of employees in each category, less the number of employees in each category of the district having the highest average salaries.

In computing the increase in the revenue limit in subdivision (b) of this section, any school district or a portion of a district to be included in any proposed reorganized district may be considered in determining the highest average salary, provided that such school district or a portion of a district contains at least 10 percent of the total number of certificated and classified employees in the proposed district, plus, (c) the estimated adjustment to the revenue limit per average daily attendance pursuant to Section 42238 that the proposed reorganized district would be allowed had it been reorganized in the fiscal year prior to the fiscal year in which the reorganization becomes effective for all purposes.

SEC. 436. Section 35512.3 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

35512.3. The State Board of Education, if it approves a petition under this chapter, shall include provisions for the use of any school property of the school district proposed to be wholly or partially included in a new school district.

Such provisions for the use of school property shall be deemed to be an integral part of the proposal and shall not be construed as a separate proposition.

SEC. 437. Section 35512.4 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

35512.4. The State Board of Education, if it approves a petition under this chapter, shall include a provision for the division of property when the entire territory or a portion of the territory of a school district is withdrawn and included in another school district, or is formed into a new school district, or is included in two or more new school districts. All property, funds, and obligations of the former district, or portion of the former district, including the bonded in-

debtedness, shall be allocated as herein provided:

(a) The real property and personal property and fixtures normally situated thereat shall be the property of the school district in which the real property is located; and

(b) Except as provided otherwise by law, all other property and funds, after all obligations, except for bonded indebtedness, have been discharged, shall be divided pro rata among the school districts in which the territory of the former school district is included.

The board shall also provide for the division of funds, including cash on hand and moneys due but uncollected on the date reorganization becomes effective for all purposes, and state apportionments based on average daily attendance earned in the year immediately preceding the date reorganization becomes effective for all purposes.

In providing for the division of property, funds, and obligations, including bonded indebtedness, the board may consider (1) the ratio that the assessed valuation of the part of the district to be included within a new school district bears to the entire school district from which it was taken, or, (2) the ratio that the number of school age pupils of the part of the district to be included within a new district bears to the entire district from which it was taken, or (3) the average of (1) and (2) above, or (4) the value and location of the property, or, (5) such other matters as the board may deem important and pertinent. Any funds derived from the sale of bonds issued by the former school district shall be used for the acquisition, construction or improvement of school property only in the territory which comprised the former district or to discharge bonded indebtedness of the former district, except that, if the bond debt is assumed by the new district, the funds may be used in any area of the new school district for the purpose for which the bonds were originally voted.

SEC. 438. Section 35512.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

35512.5. The State Board of Education, if it approves a petition under this chapter, shall provide that, if the boundaries of a school district are relocated under this chapter, so that a portion of the students will not be residents of the school district thereafter maintaining a school previously attended by the students, and if there is in the school an organized student body, the property, funds, and obligations of the student body shall be divided as determined by the board, except that the share shall not exceed an amount equal to the ratio which the number of students leaving the school bears to the total number of students enrolled. The ownership of the property, funds, and obligations, which is the proportionate share of each segment of the student body, shall be transferred to the student body of the school or schools in which the students are first enrolled during the school year next succeeding the reorganization. Funds from devises, bequests, or gifts made to the organized student body of a school shall remain the property of the organized student body of that school and shall not be divided.

SEC. 439. Section 35513.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

35513.5. When it is necessary for the State Board of Education to consider petitions submitted under this chapter and prepare a proposal relating to such a petition, each county superintendent of schools and every other county officer in the counties affected, and the district superintendent of the school districts affected shall provide the statistical information required by the Department of Education to complete the study.

SEC. 440. Section 37065.4 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

37065.4. (a) A high school district maintaining a junior high school program in which 7th and 8th grade pupils from all of the elementary school districts situated within the high school district attend the junior high school and in which the assessed valuation per pupil in one of the elementary districts is more than five times that of the average of the other elementary school districts, shall add an amount to the high school tax rate sufficient to provide the same amount of revenue as that provided by the sum of the tuition charges determined pursuant to Sections 37062 and 37063 from all elementary school districts situated within the high school district, and shall substitute this source of revenue for the tuition charges to the elementary school districts as specified in Section 37064.

(b) The fiscal year 1975–76 shall be the base year for the junior high school tuition for computational purposes.

(c) The county superintendent of schools shall compute the tuition charge for the 1975–76 fiscal year pursuant to Section 37062 which shall be the junior high school revenue limit for the high school district.

(d) For the 1976–77 fiscal year and fiscal years thereafter, the junior high school revenue limit shall be increased in an amount equal to the increase for the high school district's revenue limit per average daily attendance as computed pursuant to subdivision (f) and (g) of Section 42238 for the current year.

(e) The secured tax levy requirement shall be computed as follows:

(1) The amount computed under subdivision (d) shall be multiplied by the estimated average daily attendance for grades 7 and 8.

(2) The amount computed under paragraph (1) of this subdivision shall be reduced by the estimated state apportionment transferred pursuant to Section 41338.

(f) Whenever the computation required by this section results, because of estimating error, in a total income limit in an amount more or less than actual data would have produced; the revenue limit for the succeeding fiscal year shall be reduced a like amount if the total produced was more, and may be increased by such amount if the total produced was less.

(g) The provisions of this section shall be applicable only to high school districts with an average daily attendance of 2,000 or less,

exclusive of average daily attendance of pupils in the 7th and 8th grades and shall be applicable only if a majority of the electors of such districts voting at an election approve of a proposition providing for the computations required by this section. The election shall be held as nearly as practicable according to the provisions of Section 42202.

SEC. 441. Section 37065.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

37065.5. The revenue limit of any elementary school district situated within a high school district with an average daily attendance of 2,000 or less, exclusive of average daily attendance of pupils in the 7th and 8th grades, shall be increased or decreased by the amount necessary to provide the amount of money per average daily attendance in kindergarten through grade 6 as was available to the district prior to the establishment of a separate revenue limit for a junior high school as computed pursuant to Section 37065.4. Such rate shall be computed by the county superintendent of schools for the 1975–76 fiscal year and shall, for computational purposes, be the 1975–76 base revenue of the elementary school district.

For the 1976–77 fiscal year and fiscal years thereafter, the base revenue established pursuant to this section shall be adjusted annually pursuant to subdivisions (f) and (g) of Section 42238.

SEC. 442. Section 39002.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

39002.5. Geological and soils engineering studies as described in Section 39002 shall be made, within the boundaries of any special studies zone, for the construction of any school building as defined in Section 39141 of, if the estimated cost exceeds ten thousand dollars ($10,000), the reconstruction or alteration of or addition to any such school building for work which alters structural elements. The Department of General Services may require similar geological and soils engineering studies for the construction or alteration of any school building on a site located outside of the boundaries of any special studies zone. No such studies need be made if the site under consideration has been the subject of adequate prior studies.

No school building shall be constructed, reconstructed, or relocated on the trace of a geological fault along which surface rupture can reasonably be expected to occur within the life of the school building.

A copy of the report of each investigation conducted pursuant to this section shall be submitted to the Department of General Services pursuant to Article 3 (commencing with Section 39170) of this chapter and to the Department of Education. The cost of geological and soil engineering studies and investigations conducted pursuant to this section may be treated as a capital expenditure.

SEC. 443. Article 2 (commencing with Section 39030) is added to Chapter 1 of Part 23 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

Article 2. Disposal of Sites

39030. Notwithstanding the provisions of Article 4 (commencing with Section 39360) of Chapter 3 of this part and in addition to the requirements placed upon school districts pursuant to Section 54222 of the Government Code, the governing board of any school district may sell, for less than fair market value, any school site that is deemed to be surplus property of the district, to any park district, city, or county in which the school district is wholly or partially situated for use or partial use as park or recreational purposes or open-space purposes if the governing board adopts a resolution specifying that it will sell or transfer such property for less than fair market value to such an entity for such a purpose. The offer to sell shall be made in writing, but the terms by which the property may be sold or transferred need not be specifically provided.

39031. The sale or transfer may be made for cash and other valuable consideration, or for other valuable consideration, as deemed appropriate by the governing board of the school district. The sale or transfer may be made without first taking a vote of the electors of the district.

39032. A school district's offer to sell or transfer the land shall be made to all park districts, cities, and counties in which the school district is wholly or partially situated pursuant to this article and shall remain open for not less than 60 days. The sale or transfer shall be made to whichever public entity first accepts the offer, or whichever public entity can negotiate satisfactorily for the purchase or transfer of such surplus land.

SEC. 444. Section 39141.6 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

39141.6. For the purposes of this article and Article 6 (commencing with Section 39210) of this chapter, "school building" does not include (a) any building of a school district or county superintendent of schools which is used solely for classes or programs in outdoor science, conservation, and forestry in accordance with Article 5 (commencing with Section 8760) of Chapter 4 of Part 6 of Division 1 of Title 1 and which does not occupy, in whole or in part, the same parcel of land upon which there is situated any school maintained by the district or county superintendent, or (b) a greenhouse which is used exclusively for the cultivation or protection of agricultural or horticultural products.

SEC. 445. Section 39213 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

39213. Whenever an examination of the geological characteristics of the site on which any public school building constructed prior to 1957 is situated has been made at the request of the governing board by a licensed geologist prior to the effective date of the act which enacted this section, and the report shows that the school building is situated on the trace of an active geological fault along which it can reasonably be expected that surface rupture will occur within the life

of such building, such building shall be deemed structurally unsafe for school use. Such building shall be subject to replacement at another location in accordance with the procedure provided for repair, reconstruction, or replacement in Section 39212 as though it had not been constructed in conformance with Article 3 (commencing with Section 39140) of this chapter.

This section shall remain in effect only until July 1, 1977, and as of such date is repealed, unless a later enacted statute, which is chaptered before July 1, 1977, deletes or extends such date.

SEC. 446. Section 39233 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

39233. Beginning with the 1978–79 fiscal year, the county superintendent of schools, in conjunction with his review of any school district budget pursuant to Section 42127, shall determine any unexpended funds derived from the tax levied pursuant to Section 39230 and require that such funds be utilized by the district in one of the following ways:

(a) If the district was not an applicant district pursuant to Article 9 (commencing with Section 16310) of Chapter 8 of Part 10, the unexpended funds shall be budgeted for capital outlay purposes only.

(b) If the district was an applicant pursuant to Article 9, such unexpended funds received prior to July 1, 1980, shall only be applied as a direct reduction of any Article 9 apportionment outstanding against the district. The county superintendent of schools shall in such case notify the duly authorized representative of the State Allocation Board of the amount available as a reduction of outstanding Article 9 apportionments and the authorized representative shall take the action necessary to reduce the outstanding apportionments. After July 1, 1980, any additional amounts shall be available only for the purposes of reducing the tax levy under Section 16090.

This section shall remain in effect only until June 30, 1985, and as of that date is repealed.

SEC. 447. Section 39234 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

39234. Notwithstanding the requirement, applicable after the 1974–75 fiscal year, of Section 39320 relative to the levying of a twenty-cent ($0.20) tax as a condition precedent to the levying of such a tax in subsequent years, a district having an approved application under the provisions of Section 16321.7 may levy a tax at a rate of not to exceed twenty cents ($0.20) per one hundred dollars ($100) of assessed valuation for the 1976–77 fiscal year, under the conditions otherwise prescribed by Section 39230, for matching funds for such application. The tax rate so levied shall have the same effect for the purposes of Section 16339 as though the tax had been levied in the 1974–75 fiscal year.

SEC. 448. Section 39384 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

39384. (a) It is the intent of the Legislature that school districts be authorized under specified procedures to make vacant classrooms in

operating schools available for rent or lease to other school districts, educational agencies, governmental units, nonprofit organizations, community agencies, professional agencies, commercial and noncommercial firms, corporations, partnerships, businesses and individuals. This will place students in close relationship to the world of work, thus facilitating career education opportunities.

(b) It is the intent of the Legislature that priority in leasing or renting vacant classroom space be given to educational agencies, particularly those conducting special education programs.

It is the intent of the Legislature that such procedures provide for community involvement by attendance area and at the district level. This community involvement should facilitate making the best possible judgments about the use of excess school facilities in each individual situation.

It is the intent of the Legislature to have the community involved before decisions are made about school closure or the use of surplus space, thus avoiding community conflict and assuring building use that is compatible with the community's needs and desires.

(c) The governing board of any school district may, and the governing board of each school district, prior to the sale, lease, or rental of any excess real property, except rentals not exceeding 30 days, shall, appoint a district advisory committee to advise the governing board in the development of districtwide policies and procedures governing the use or disposition of school buildings or space in school buildings which is not needed for school purposes.

(d) A district advisory committee shall consist of not less than 7 nor more than 11 members, and shall be representative of the following:

1. The ethnic, age group and socioeconomic composition of the district.

2. The business community, such as store owners, managers or supervisors.

3. Landowners and renters.

4. Teachers and administrators.

5. Parents of students.

6. Persons with expertise in environmental impact, legal contracts, building codes, and land use planning.

(e) The district advisory committee shall:

1. Review the projected school enrollment and other data as provided by the district to determine the amount of surplus space.

2. Establish a priority list of use of surplus space that will be acceptable to the community.

3. Cause to have circulated throughout the attendance area a priority list of surplus space and provide for hearings of community input to the committee on acceptable uses of space.

4. Make a final determination of limits of tolerance for use of space.

5. Forward to the district governing board a report recommending uses of surplus space.

(f) An existing district advisory committee having the representation specified in subdivision (c), may be designated as the

district advisory committee for the purposes of this section.

SEC. 449. Section 39617 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

39617. (a) The Legislature finds and declares that the quality of protective equipment worn by participants in high school interscholastic football is a significant factor in the occurrence of injuries to such participants and that it is therefore necessary to insure minimum standards of quality for the equipment in order to prevent unnecessary injuries to such participants.

(b) No football helmets shall be worn by participants in high school interscholastic football after the commencement of the 1980–81 school year, unless such equipment has been certified for use by the Department of Education. In determining the suitability of equipment for certification the department may accept the certification of the National Operating Committee on Standards for Athletic Equipment or any other recognized certifying agency in the field.

This section shall not be construed as relieving school districts from the duty of maintaining football protective equipment in a safe and serviceable condition.

SEC. 450. Section 39645.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

39645.5. In addition to utilizing the procedures specified in Article 14 (commencing with Section 39520) of Chapter 3 of this part, any school district or any county board of education may, by direct sale or otherwise, sell to a purchaser any electronic data-processing equipment owned by, or to be owned by, the school district or county board, if the purchaser agrees to lease the equipment back to the school district or county for use by the school district or county following the sale.

The approval by the governing board of the school district or of the county superintendent of schools of the sale and leaseback shall be given only if the governing board of the school district or the county superintendent of schools finds, by resolution, that the sale and leaseback is the most economical means for providing electronic data-processing equipment to the school district or county.

SEC. 451. Section 39646 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

39646. The governing board of a school district may contract for electromechanical or electronic data-processing work.

SEC. 452. Section 39649.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

39649.5. It shall be unlawful to split or separate into smaller work orders or projects any project for the purpose of evading the provisions of this article requiring work to be done by contract after competitive bidding.

SEC. 453. Section 41716.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

41716.5. For the fiscal year 1976–77, and each fiscal year thereafter

in the event that the allowances provided pursuant to Section 41716 plus the revenue derived by the tax authorized by Section 23401 is not sufficient to fund the school district liability pursuant to Section 23400, the Superintendent of Public Instruction shall allow to each elementary school district, high school district, and unified school district, amounts as determined as follows:

(a) He shall determine what rate of tax levied on each one hundred dollars ($100) of the assessed valuation of the district as shown by the equalized assessment role of the district, hereinafter referred to as the computed tax rate, would, if levied, produce such amount. If the computed tax rate is:

(1) In the case of a unified school district greater than fifteen cents ($0.15) but less than twenty-four cents ($0.24) he shall pay to the district all of the balance in excess of fifteen cents ($0.15).

(2) In the case of a high school district greater than five cents ($0.05) but less than eight cents ($0.08), he shall pay all of the balance in excess of five cents ($0.05).

(3) In the case of an elementary school district greater than ten cents ($0.10) but less than sixteen cents ($0.16), he shall pay all of the balance in excess of ten cents ($0.10).

(b) If the amount computed in subdivision (a) is still not sufficient to pay the contribution required pursuant to Section 23400, then the Superintendent of Public Instruction shall allow such amounts in excess of the computed tax rates which:

(1) In the case of a unified school district, he shall pay 50 percent of that amount required in excess of the computed tax rate of twenty-four cents ($0.24) but less than thirty-six cents ($0.36).

(2) In the case of a high school district, he shall pay 50 percent of the computed tax rate required in excess of eight cents ($0.08) but less than twelve cents ($0.12).

(3) In the case of an elementary school district, he shall pay 50 percent of the computed tax rate required in excess of sixteen cents ($0.16) but less than twenty-four cents ($0.24).

(c) If the amount computed in subdivision (b) is still not sufficient to pay the contribution required pursuant to Section 23400, then he shall pay 60 percent of all amounts required in excess of the computed tax rate in subdivision (b).

SEC. 454. Section 41760.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

41760.5. The assessed valuation used for apportionments wherein the formulae require a distribution of state aid based on the assessed valuation of the school district shall be determined by adding: (a) the taxable assessed valuation of each district, including the assessed valuation of timber in the district which is assessed as such, (b) the sum of assessed valuation equivalents of revenue amounts certified pursuant to Section 27423 of the Government Code and Section 38905 of the Revenue and Taxation Code and, (c) the homeowners' and business inventory exemptions pursuant to Sections 218 and 219 of the Revenue and Taxation Code.

The assessed valuation equivalents for revenue amounts certified pursuant to Section 27423 of the Government Code and Section 38905 of the Revenue and Taxation Code shall be derived by multiplying such amounts by a factor of 100 and dividing the product by the secured tax rate for the prior year.

Each county auditor on or before November 15th shall report the assessed valuations to the Superintendent of Public Instruction on forms provided by him. The Superintendent of Public Instruction shall require the assessed valuations to be reported in such an order that the appropriate assessed valuations may be modified pursuant to Section 41201.

SEC. 455. Section 41836 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

41836. The adjustment in the foundation program prescribed by this article shall not be made for the average daily attendance of pupils who are attending school pursuant to a continuous school program under Chapter 5 (commencing with Section 37600) of Part 22 of this division, provided all of the following conditions are met:

(a) Pupils attend continuous school programs for not less than the number of minutes each schoolday provided in the regular classes maintained by the district of the same grade level.

(b) Certificated employees providing instruction in continuous school programs shall be employees of the district who provide such instruction as part of their normal instructional duties.

(c) The educational program offered during intersessions is comparable in scope and quality to the educational program offered during nonintersessions.

(d) Pupils attend school for no more than 180 days per school year.

SEC. 456. Section 41841 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

41841. The Superintendent of Public Instruction shall determine the amount of state equalization aid to be added to the regular high school foundation program apportionments for each school district with adult average daily attendance in the 1976–77 fiscal year as follows:

He shall determine the adult average daily attendance used in computing state aid under the high school foundation program in the 1975–76 fiscal year and compute the 1976–77 fiscal year equalization aid according to the high school foundation program for the 1976–77 fiscal year using that 1975–76 fiscal year average daily attendance.

He shall recompute the equalization aid to the high school foundation program with the adult average daily attendance excluded and shall determine the loss of equalization aid due to excluding adult average daily attendance. To this amount he shall add the state equalization aid for defined adults in the 1975–76 fiscal year. He shall compute the state equalization aid for adults pursuant to Section 41840 and shall deduct this amount from the sum of the state equalization aid for defined adults in the 1975–76 fiscal year and the loss of equalization aid due to excluding adults from the high

school foundation program. The remainder shall be added to the equalization aid for the high school foundation program for that district in the 1976–77 fiscal year. In each subsequent fiscal year the same calculation shall be used, using that year's adult average daily attendance, up to, but not to exceed, the adult average daily attendance used in computing the high school foundation program in the 1975–76 fiscal year.

If the adult average daily attendance of the current year is less than the comparable adult average daily attendance determined for 1975–76, the current year adult average daily attendance shall be used in lieu of the 1975–76 adult average daily attendance in determining the amount of state equalization aid to be added to the regular high school program. If there is no adult average daily attendance for the current year this section shall not apply.

SEC. 457. Section 42239.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

42239.5. Any gain or loss of average daily attendance used in the revenue limit calculation in Section 42238 which is due to reclassifying high school average daily attendance to adult average daily attendance pursuant to Chapter 323 of the Statutes of 1976 shall not be used in determining the amount allowed in Section 42239.

Any gain or loss of average daily attendance used in the revenue limit calculation in Section 42238 which is due to attendance in regional occupational centers or programs pursuant to Sections 52321 and 52324 shall not be used in determining the amount allowed in Section 42239.

SEC. 458. Section 42244.2 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

42244.2. Commencing July 1, 1977, the revenue limit per unit of average daily attendance prescribed by Sections 42233 and 42238 may, for a district with a current revenue limit at or above 150 percent of the appropriate foundation program amount of the district, be increased pursuant to this chapter upon approval of a majority of the electors of the district voting on a proposition to that effect pursuant to Section 42202. Such approval may be granted for any period of time, and the budget year revenue limit of the district shall be increased by such amount in computing the maximum general purpose tax rate for each year in which the voted revenue limit increase is effective.

SEC. 459. Section 42244.3 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

42244.3. Commencing July 1, 1977, the tax rate that an elementary, high, or unified school district with a revenue limit at or above 150 percent of the appropriate foundation program amount of the district, which may be levied for a given amount of revenue per unit of average daily attendance beyond its revenue limit, shall be provided yearly to the county superintendent of schools and the county board of supervisors by the Superintendent of Public Instruction on or before August 15.

The Superintendent of Public Instruction shall use the state average actual assessed valuation per unit of elementary, high, or unified school district average daily attendance to determine the tax rate necessary to raise the dollar amount each year.

SEC. 460. Section 42244.4 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

42244.4. The Superintendent of Public Instruction shall determine the tax rates required by Section 42244.3 on the basis of the immediately prior fiscal year's data, updated by estimates of changes in average daily attendance and assessed valuation for each district, as reported to the Superintendent of Public Instruction by each county superintendent of schools. On or before April 1, the Superintendent of Public Instruction shall certify to each county superintendent an estimated schedule of the tax rates necessary to provide a given income per unit of average daily attendance required by Section 42244.3. On or before August 15, the Superintendent of Public Instruction shall certify to each county superintendent of schools and county board of supervisors, the official schedule of the tax rates necessary to provide a given income per unit of average daily attendance required by Section 42244.3.

The county board of supervisors of each county shall use the official schedule submitted by the Superintendent of Public Instruction in setting the tax rate required to produce the increase in the revenue limit provided for by Section 42244.2 which is approved by the electors pursuant to Section 42202.

SEC. 461. Section 42244.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

42244.5. The county auditor, in cooperation with the county superintendent of schools, shall determine the amount of excess or the amount of deficiency from the income from tax rates levied pursuant to Section 42244.3. A county shall collect the taxes on the basis of the rates required by Section 42244.3. The county shall allocate the taxes on the basis of the increase in the revenue limit approved by the electors pursuant to Section 42202. If the taxes collected are in excess of the amount to be allocated within the county, the excess shall be paid to the State Fund for the Equalization of School Taxes, which is hereby created in the State Treasury. If there is a deficiency of total taxes collected when compared to the taxes to be allowed, the county auditor in a county having a deficiency shall submit a request to the State Controller, for allocation from the State Fund for the Equalization of School Taxes, such amount as necessary to make up the deficiency. The State Controller shall allocate the amounts requested from the State Fund for the Equalization of School Taxes.

The State Controller shall adopt any rules or regulations necessary to implement the flow of money in and out of the State Fund for the Equalization of School Taxes.

SEC. 462. Section 42244.6 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

42244.6. If, after all deficiencies have been paid pursuant to Section 42244.5, there is a balance in the State Fund for the Equalization of School Taxes, such balance shall be transferred to Section A of the State School Fund.

SEC. 463. Section 42244.7 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

42244.7. Whenever a special education program is transferred from a school district to a county superintendent of schools pursuant to Section 1710, the revenue limit of such district shall be reduced by the amount of excess cost which the district expended from its revenue limit for such program during the prior fiscal year. This excess cost shall not include expenditures of income from federal sources of tuition.

SEC. 464. Section 42637.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

42637.5. At any time during a fiscal year, the county superintendent may audit the expenditures and internal controls of school districts he determines to be fiscally accountable. The county superintendent shall report his findings and recommendation to the governing board of the district. The governing board shall, no later than 15 days after receipt of such report, notify the county superintendent of schools of its proposed actions on his recommendation. Upon review of the governing board report, the county superintendent, at his discretion, may revoke the authority for the district to be fiscally accountable pursuant to Section 42650.

SEC. 465. Section 42649 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

42649. Notwithstanding any other provision of law to the contrary, the following procedure may be utilized to make payments to companies providing tax-sheltered annuities for employees of school districts. The county superintendent of schools may designate one or more national or state banks having its principal office in this state, provided its deposits are insured by the Federal Deposit Insurance Corporation, to act as disbursing agents for school districts under his jurisdiction. The county superintendent of schools may draw orders and requisitions upon the funds of the respective public employers for the purchase of authorized tax-sheltered annuities, in favor of such banks. The county auditor shall follow the procedure with respect to examining and allowing such orders and requisitions set forth in Section 42639. The county superintendent of schools, upon receiving allowed warrants from the county auditor, shall transmit them to such designated banks. As soon as feasible following transmittal of such warrants to such banks, the county superintendent of schools shall furnish such banks with listings containing all information required to enable such banks to properly disburse payments to the companies, including identification of the employees for whom the annuities are purchased, the amount of payment on behalf of each designated employee, and the company to which the payment on behalf of each designated employee is to

be made. It shall be the duty of each such bank to disburse such payments to the companies entitled thereto by check, bank draft, or other appropriate instrument of the bank, within a reasonable time after receipt of each such payment and the listings furnishing the necessary information for disbursements, which time period shall not exceed 10 working days. Such disbursing banks shall be deemed to be agents of the respective public employers purchasing such annuities on behalf of their respective employees, and the moneys received by the banks shall be deemed to be deposits of the respective public employers. Security for the deposits shall be furnished as required by the laws of this state.

SEC. 466. Section 42650 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

42650. With the approval of the county superintendent of schools, the governing board of a school district may cause warrants to be drawn on the county treasury against designated funds, except debt service, of the district in the county treasury in the payment of expenses of the district. The warrants for salary and other types of claims designated by the county superintendent shall be issued by a person designated as the district disbursing officer for the school district on the county treasury in favor of the persons entitled thereto in payment of all claims in designated categories chargeable against the district which have been legally examined, allowed, and ordered paid by the governing board. The district disbursing officer shall issue warrants, using procedures prescribed by the county auditor, on the county treasury for all debts and demands, within categories designated by the county superintendent, against the district when amounts are legally approved. The form of the warrant shall be prescribed by, and approved by, the county auditor or county treasurer having jurisdiction.

The cost of printing warrants may be charged to the district. Notwithstanding Section 41000, except for assessing and tax collecting, the county auditor and county treasurer may charge those districts that draw their own warrants for the cost of all fiscal services.

Notwithstanding Section 27005 of the Government Code, or any other provision of law requiring orders for warrants or warrants to be signed by the county superintendent of schools or the county auditor, or both, the county superintendent and county auditor may prescribe alternative procedures for districts to issue warrants. The district disbursing officer shall not be considered a deputy county superintendent of schools or a deputy county auditor. The county treasurer shall pay the warrant in the designated category, if district funds are available.

County officers shall not be responsible for providing reports, statements, or other data relating to, or based on, the designated payments of expenses of the district. Those districts issuing warrants, as provided by this section, shall provide the county superintendent of schools, in the form prescribed by him, with the data necessary to make retirement reports and other reports required of him by law.

All warrants, vouchers, and supporting documents shall be kept by school districts that draw their own warrants in those designated categories.

The county superintendent shall provide for a periodic review of the districts' financial transactions and internal control pursuant to Section 42637.5.

County superintendents of schools may provide fiscal, budgetary, and data-processing services through contractual agreements to school districts that have been determined to be fiscally accountable under the provisions of this section.

The person authorized by the governing board of the district to issue warrants, pursuant to this section, shall execute an official bond in an amount fixed by the governing board conditioned upon the faithful performance of his duties under this section. A county superintendent or county auditor shall not be liable under the terms of their bonds or otherwise for any warrant issued pursuant to this section. This section shall not be construed as impairing the obligation of any contract in the bond of such officer in effect on January 1, 1977.

A listing of the warrants issued under this section by each school district shall be forwarded to the county auditor having jurisdiction, upon his request, and to the county superintendent of schools having jurisdiction over the district on the same day warrants are issued. The listing, which may be magnetic tape, punched cards, or in other form, shall report, among other things, the warrant number, date of the warrant, amount of the warrant, the name of the payee, and the fund on which drawn. The form and content of the warrant listing shall be as prescribed by the county auditor or county superintendent and approved by the county auditor or county superintendent having jurisdiction.

Each district which issues warrants pursuant to this section shall furnish monthly to the county superintendent of schools and the county auditor of the county of jurisdiction, upon his request, a statement showing for the current fiscal year to date, for each required expenditure classification, the amount budgeted, actual expenditures, encumbrances and unencumbered balances.

In order to obtain the approval of the county superintendent of schools and county auditor for fiscally accountable status, the governing board of a school district shall file a written application with the county superintendent of schools and county auditor having jurisdiction on forms which the county superintendent shall prescribe. Upon receipt of an application from the district, the county superintendent shall cause an audit to be made of the district's management and accounting controls, in accordance with standards prescribed by him, by an independent certified public accountant or public accountant approved by the county superintendent, who shall report his findings and recommendations to the county superintendent and to the applicant district. The audit report may include Department of Finance guidelines and other

assessments of fiscal management as required by the county superintendent or the audit may be the report of the annual district audit pursuant to Section 41020 if that is acceptable to the county superintendent of schools. The cost of the audit required in support of a district's application for fiscal accountability shall be borne by the applicant district.

The county superintendent and county auditor shall review the district's application and report of financial management and control and may approve the application if they find the management and accounting controls of the district to be adequate. If the county superintendent and county auditor determine that such management and accounting controls are inadequate, they shall disapprove the application.

A district that applies for fiscal accountability status shall file its written application with the county superintendent of schools on or before September 1. The required audit of financial management and accounting controls shall be filed on or before January 1. When a district's application for fiscal accountability status has been approved by the county superintendent of schools and county auditor, the issuance of warrants by the district pursuant to this section shall be effective at the beginning of a fiscal year, provided that approval had been made prior to the preceding first day in March. If disapproved, the county superintendent of schools shall state the specific steps which must be taken by the applicant school district to receive approval and these changes shall be certified as completed by an independent certified public accountant or public accountant before the county superintendent shall approve the application. If at any time the county superintendent of schools or the county auditor determines that the financial management or accounting controls of the district have become inadequate, either such officer may revoke approval for fiscal accountability status effective immediately.

SEC. 467. Section 42901.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

42901.5. The governing board of a school district to which a nonimmigrant alien residing in a foreign country has made application seeking permission to enroll in any school of the district may, after having determined to its satisfaction that the person intends to temporarily reside in, and attend a school of, the district, agree in writing to permit the alien to enroll in, and attend schools of, the district, and may execute any written commitment required by or pursuant to federal law as a prerequisite to the alien's entry into this country for the purpose of securing education and training. The provisions of Section 42900 shall be applicable to such nonimmigrant alien. The school district executing any such written agreement shall so notify the county board of education.

SEC. 468. Chapter 12 (commencing with Section 43000) is added to Part 24 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

CHAPTER 12. TAXATION FOR ADULT EDUCATION

43000. For each school district with adult average daily attendance, as defined in Section 52610, the county superintendent of schools shall establish a revenue limit per unit of adult average daily attendance and an adult education tax rate in each such district for the 1976–77 fiscal year pursuant to directions of the Superintendent of Public Instruction as follows:

(a) He shall determine the expenditure, including tuition, per adult average daily attendance in 1975–76. He shall increase this amount by the same percent of increase that is allowed to the high school level foundation program in the 1976–77 fiscal year.

(b) He shall determine the maximum adult education tax necessary for each district by the procedure provided in subdivisions (h) to (k), inclusive, of Section 43001.

For districts which did not have adult average daily attendance in the 1975–76 fiscal year, the adult revenue limit shall be the adult foundation program.

43001. For the 1977–78 fiscal year and each fiscal year thereafter:

(a) The maximum tax rate for adult education programs of a school district shall be computed pursuant to this section by the county superintendent of schools.

(b) The revenue limit per adult foundation program unit of average daily attendance for the district for the prior fiscal year shall be divided into the adult foundation program amount per unit of average daily attendance for the prior year. If the quotient is greater than one, it shall be deemed to be one.

(c) The adult foundation program amount per unit of average daily attendance used as the dividend in subdivision (b) shall be determined pursuant to Section 41840.

(d) The inflation adjustment shall be based on the increase or decrease in the adult foundation program amount per unit of average daily attendance for the budget year compared with the preceding year.

(e) The amount determined pursuant to subdivision (d) shall be multiplied by the quotient determined pursuant to subdivision (b). The resultant amount shall constitute the revenue limit inflation adjustment of the district per unit of average daily attendance.

(f) The revenue limit inflation adjustment shall be added or subtracted, as the case may be, to the prior year revenue limit per adult foundation program unit of average daily attendance of the district and the sum multiplied by the estimated adult foundation program average daily attendance of the budget year. The product shall be the adult revenue limit of the district for the budget year.

(g) Any district which has an adult revenue limit computed pursuant to subdivision (f) which is equal to or less than the adult foundation program computed for the district pursuant to Section 41840 may increase its revenue limit computed pursuant to subdivision (f) to the lesser of the adult foundation program level of

the district or the prior year revenue limit increased by 15 percent, beginning in 1977–78.

(h) From the amount computed pursuant to subdivision (f) or (g), there shall be subtracted the basic state aid and state equalization aid to be received for the budget year, and the amount of income to be received from the equalization offset tax pursuant to Section 41203.

(i) The amount determined pursuant to subdivision (h) shall be (1) adjusted as provided in subdivision (d) of Section 46605 and (2) adjusted sufficiently to allow for the mandated increases in 1976–77 and subsequent years for district contributions for the State Teachers' Retirement System as required by Section 23400. Such adjustment together with any adjustment allowed in Section 42238 for the same purpose shall not exceed the revenue derived by the tax rate provided in Section 23401.

(j) From the amount computed pursuant to subdivision (i), there shall be subtracted the amount of money collected or to be collected as taxes related to adult education on property on the unsecured roll of the budget year and income from the prior year's taxes.

(k) For the purposes of this subdivision, the assessed valuation used in computing the maximum tax rate is defined as the total actual assessed valuation, including business inventory and homeowners' exemption and exclusive of the assessed valuation increment used to allocate tax receipts to a redevelopment agency pursuant to Article 6 (commencing with Section 33670) of Chapter 6 of Part 1 of Division 24 of the Health and Safety Code.

The amount determined pursuant to subdivision (j) shall be divided by the amount of actual assessed valuation of the district on the secured roll after due allowance for delinquencies, pursuant to Section 14203. The quotient multiplied by 100 shall be the tax rate on each one hundred dollars ($100) of such assessed valuation and shall be the maximum adult education tax rate which may be levied in the district during the 1976–77 fiscal year.

This section shall be subject to the provisions of Sections 42244 and 42245.

43002. For the 1976–77 fiscal year, any school district which had adult average daily attendance in the 1975–76 fiscal year may increase its regular revenue limit per unit of average daily attendance by the difference between its 1975–76 fiscal year revenue from adult average daily attendance and its actual expenditures for adults in the 1975–76 fiscal year divided by its regular average daily attendance in the 1975–76 fiscal year.

SEC. 470. Section 44253.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

44253.5. The Commission for Teacher Preparation and Licensing shall grant certificates of bilingual-crosscultural competence. The purpose of these certificates is to increase the number of persons qualified to provide appropriate bilingual-crosscultural instruction to children whose native language is other than English and who are non- or limited-English-speaking. The Commission for Teacher

Preparation and Licensing shall also develop an assessment program which will provide a method by which persons holding valid teaching credentials may demonstrate their competence as bilingual-crosscultural teachers without additional postsecondary education coursework. These certificates shall certify, as a minimum, the following:

(a) That the person is competent in both the oral and written skills of a language other than English;

(b) That the person has both the knowledge and understanding of the cultural and historical heritage of the students whose native language is other than English;

(c) That the person successfully can teach the basic teaching authorization in English and in a language other than English. The holder of this certificate is authorized to teach students whose native language is other than English.

SEC. 471. Section 44253.6 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

44253.6. The minimum requirements for obtaining a certificate of bilingual-crosscultural competence are:

(a) A valid teaching credential;

(b) A bilingual certification in English and in a language other than English;

(c) A competency in teaching one's basic teaching authorization both in English and in a language other than English;

(d) An ability to present a sequential program of instruction in a language other than English; and

(e) A competency in the culture and heritage of the student whose native language is other than English.

SEC. 472. Section 44978.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

44978.5. The governing board of a school district may adopt rules permitting certificated employees of the district to use leave earned pursuant to Section 44978 in cases of compelling personal importance.

Leave taken pursuant to this section, together with any leave taken pursuant to Section 44981, shall not exceed six days in any single school year.

SEC. 473. Section 45206.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

45206.5. Notwithstanding any other provision of law, if the governing board of a school district does not designate September 9 known as "Admission Day" as a paid holiday for classified employees pursuant to Section 37222, the school district shall provide a substitute holiday for such employee.

This section shall apply to districts that have adopted the merit system in the same manner and effect as if it were a part of Article 6 (commencing with Section 45240) of this chapter.

SEC. 474. Section 46305.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

46605.5. The Superintendent of Public Instruction shall apportion, from the State School Fund as a reimbursement to the district for the actual per-pupil cost to the district of attendance, on account of each pupil attending such district pursuant to an interdistrict attendance agreement, the difference, if any, between (a) the actual per-pupil cost to the district of attendance of educating pupils in the same grade level, and (b) an amount equal to the revenue limit per unit of average daily attendance of the district in which the pupil lives.

Such apportionment shall be made only if the Superintendent of Public Instruction ascertains all of the following facts:

(1) An interdistrict attendance agreement has been entered into pursuant to this article between two adjacent school districts situated in adjacent counties.

(2) Such agreement is for the purpose of educating pupils who, because of a geographic barrier, must otherwise travel long distances, and it is in the best interests of the pupils to attend the nearest public school.

(3) The school district in which the pupil lives has determined that it is not feasible to construct a school in the area in which the pupil lives.

(4) The interdistrict attendance agreement has been approved by the county board or boards of education of the county or counties involved.

(5) The combined enrollments of the district in which the pupils live and the district of attendance did not exceed 35,000 during the 1972–73 school year.

This section shall remain in effect only until June 30, 1977, and as of that date is repealed.

SEC. 475. Section 48204 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

48204. Notwithstanding Section 48200, a pupil shall be deemed to have complied with the residency requirements for school attendance in a school district, provided he or she is:

(a) A pupil placed within the boundaries of that school district in a regularly established licensed children's institution, or a licensed foster home, or a family home pursuant to a commitment or placement under Chapter 2 (commencing with Section 200) of Part 1 of Division 2 of the Welfare and Institutions Code.

An agency placing a pupil in such a home or institution shall provide evidence to the school that the placement or commitment is pursuant to law.

(b) A pupil for whom interdistrict attendance has been approved pursuant to the provisions of Chapter 5 (commencing with Section 46600) of Part 26 of Division 3 of this title.

(c) A pupil whose residence is located within the boundaries of that school district and whose parent or legal guardian is relieved of responsibility, control, and authority through emancipation.

(d) A pupil whose parent or legal guardian has established the residence of the pupil in a home located within the boundaries of

that school district, provided such home is properly licensed as required by law. The person maintaining such a home shall provide evidence to the school that a current license is in effect or that a license is not required under the law.

SEC. 476. Section 48985 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

48985. When 15 percent or more of the pupils enrolled in a public school that provides instruction in kindergarten or any of grades 1 through 12 speak a single primary language other than English, as determined from the census data submitted to the Department of Education pursuant to Section 52103 by the first day of April in the preceding year, all notices, reports, statements, or records sent to the parent or guardian of any such pupil by the school or school district shall, in addition to being written in English, be written in such primary language, and may be responded to either in English or the primary language.

SEC. 477. Section 49064 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

49064. A log or record shall be maintained for each pupil's record which lists all persons, agencies, or organizations requesting or receiving information from the record and the legitimate interests therefor. Such listing need not include:

(a) Parents or pupils to whom access is granted pursuant to Section 49069 or paragraph (6) of subdivision (a) of Section 49076;

(b) Parties to whom directory information is released pursuant to Section 49073;

(c) Parties for whom written consent has been executed by the parent pursuant to Section 49075; or

(d) School officials or employees having a legitimate educational interest pursuant to paragraph (1) of subdivision (a) of Section 49076.

The log or record shall be open to inspection only by a parent and the school official, or his designee, responsible for the maintenance of pupil records, and to other school officials with legitimate educational interests in the records, and to the Comptroller General of the United States, the Secretary of Health, Education, and Welfare, an administrative head of an education agency as defined in Public Law 93-380, and state educational authorities as a means of auditing the operation of the system.

SEC. 478. Section 51224 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

51224. The governing board of any school district maintaining a high school shall prescribe courses of study designed to provide the skills and knowledge required for adult life for pupils attending the schools within its school district. The governing board shall prescribe separate courses of study, including, but not limited to, a course of study designed to prepare prospective students for admission to state colleges and universities and a course of study for vocational training.

SEC. 479. Section 51225 is added to the Education Code as enacted

by Chapter 1010 of the Statutes of 1976, to read:

51225. No pupil shall receive a diploma of graduation from high school who has not completed the course of study prescribed by the governing board. Requirements for graduation shall include:

(a) English.

(b) American history.

(c) American government.

(d) Mathematics.

(e) Science.

(f) Physical education, unless the pupil has been exempted pursuant to the provisions of this code.

(g) Such other subjects as may be prescribed.

The governing board, with the active involvement of parents, administrators, teachers, and students, shall adopt alternative means for students to complete the prescribed course of study which may include practical demonstration of skills and competencies, work experience or other outside school experience, interdisciplinary study, independent study, and credit earned at a postsecondary institution. Requirements for graduation and specified alternative modes for completing the prescribed course of study shall be made available to students, parents, and the public.

SEC. 480. Section 51225.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

51225.5. The governing board of any school district maintaining a junior or senior high school shall, by June 1, 1978, adopt standards of proficiency in basic skills for students attending schools within its school district. Governing boards maintaining junior high schools located within a high school district shall adopt those standards of proficiency in basic skills adopted by the high school district. Standards of proficiency shall include, but not necessarily be limited to, reading comprehension, writing, and computation skills and shall be such as will enable individual achievement and ability to be ascertained and evaluated. The governing board may use academic standards for graduation distributed by the State Board of Education pursuant to Section 51226 for this purpose. Subsequent to June 1980, no pupil shall receive a diploma of graduation from high school who has not met the standards of proficiency in basic skills prescribed by the governing board. The governing board may adopt differential standards of proficiency in basic skills for pupils with diagnosed learning disabilities.

The governing board shall take appropriate steps to ensure that individual pupil progress towards proficiency in basic skills is assessed during the regular instructional program at least one time during the 7th through 9th grade experience and at least two times during the 10th through 11th grade experience, provided that the progress of any pupil who demonstrates proficiency in basic skills need not be reassessed. The governing board may use performance indicators distributed by the State Board of Education pursuant to Section 51226 for the purpose of conducting such individual pupil

assessments.

In the case of a pupil who does not meet district prescribed standards in basic skills, an appropriate school official shall arrange a conference between the pupil, the principal or the principal's designee, the parent or guardian and, whenever practicable, a teacher familiar with the pupil's progress to discuss the results of the individual pupil assessment and the need for instruction in basic skills. The pupil and the parent or guardian shall be requested, in writing, to attend such conference. Within five days of the time such written request is postmarked, the school shall make a reasonable effort to contact the parent or guardian by telephone to communicate directly the information contained in the written request.

Instruction in basic skills shall be provided for any student who does not meet established proficiency standards in basic skills and shall continue until the pupil has been given repeated opportunity to achieve prescribed standards of proficiency.

SEC. 481. Section 51411 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

51411. No governing board of any school district maintaining a high school shall require as a condition for graduation from the high schools within the district that a pupil have resided within the district for any minimum length of time.

SEC. 482. Section 51760.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

51760.5. Notwithstanding Section 51760, attendance in work experience classes or programs maintained by a regional occupational center or regional occupational program shall not receive apportionments from state funds based on average daily attendance unless such classes or programs are in conformance with standards adopted pursuant to Section 52372.

A student enrolled in cooperative vocational education conducted by a regional occupational center or program shall not be credited with more than one day of attendance in any calendar day for purposes of such programs.

SEC. 483. Section 52022.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

52022.5. Any school district which receives allowances for programs authorized pursuant to both Section 52013 and Article 4 (commencing with Section 54160) of Chapter 2 of Part 29 of this division, may utilize allowances authorized pursuant to Article 4 (commencing with Section 54160) of Chapter 2 of Part 29 of this division in grades 4, 5 and 6, or in kindergarten and grades 1, 2, and 3, for the purposes of and in the manner set forth in such article.

SEC. 484. Article 3 (commencing with Section 52160) is added to Chapter 7 of Part 28 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

Article 3. Bilingual-Bicultural Education Act of 1976

52160. This article shall be known and may be referred to as the Chacon-Moscone Bilingual-Bicultural Education Act of 1976.

52161. The Legislature finds that there are more than 225,000 school-age children whose primary language is other than English and who do not have the English language skills necessary to benefit from instruction only in English at a level substantially equivalent to pupils whose primary language is English. Their lack of English language communication skills presents an obstacle to such pupils' right to an equal educational opportunity which can be removed by instruction and training in the pupils' primary languages while such pupils are learning English. The Legislature recognizes that the school dropout rate is excessive among limited-English-speaking pupils. This represents a tremendous loss in human resources and in potential personal income and tax revenues. Furthermore, high rates of joblessness among these dropouts contribute to the unemployment burden of the state.

The Legislature recognizes that a critical need exists for teaching and administrative personnel qualified in the bilingual and crosscultural skills necessary to the instruction of the limited-English-speaking population in the state's school districts. Therefore, the Legislature directs school districts to provide for in-service programs to qualify existing and future personnel in the bilingual and crosscultural skills necessary to serve the limited-English-speaking pupils of this state. Furthermore, the Legislature intends that the public institutions of higher education establish programs to qualify teachers and administrators in the bilingual and crosscultural skills necessary to serve these pupils.

It is the purpose of this article to require California school districts to offer bilingual learning opportunities to each limited-English-speaking pupil enrolled in the public schools, and to provide adequate supplemental financial support to achieve such purpose. Insofar as the individual pupil is concerned, participation in bilingual programs is voluntary on the part of the parent or guardian.

52162. The State Board of Education shall adopt such rules and regulations as are necessary for the effective administration of this article. Initial regulations shall be adopted within 90 days after January 1, 1977.

52163. Unless the context otherwise requires, the definitions set forth in this section shall govern the construction of this article.

(a) "Partial bilingual instruction" means listening, speaking, reading and writing skills developed in both languages. Material related to culture and history is taught in the language the pupil understands better.

(b) "Full bilingual instruction" means basic language skills developed and maintained in both languages. Instruction in required subject matter or classes is provided in both languages in addition to culture and history.

(c) "Bilingual-bicultural education" is a system of instruction which uses two languages, one of which is English, as a means of instruction. It is a means of instruction which builds upon and expands the existing language skills of each participating pupil, which will enable the pupil to achieve competency in both languages.

This instruction shall include:

(1) Daily instruction in English, language arts, listening, speaking, reading and writing;

(2) Language development in the pupil's primary language;

(3) Reading in the pupil's primary language;

(4) Selected subjects taught in the pupil's primary language; and

(5) Development of an understanding of customs and values of the cultures associated with the languages being taught as well as an understanding of the history and culture of California and the United States.

(d) "Limited-English-speaking pupils" are pupils who do not have the clearly developed English language skills of comprehension, speaking, reading and writing, necessary to receive instruction only in English at a level substantially equivalent to pupils whose primary language is English. The determination of which pupils are limited English speaking shall be made in accordance with the procedures specified in Section 52164. The term "limited-English-speaking pupils" includes "non-English-speaking pupils" as described in subdivision (e).

(e) "Non-English-speaking pupils" are pupils who communicate in their primary language only or who communicate in English at a level which does not enable them to participate meaningfully in an educational setting where only English is used.

(f) "Individual learning program" is any program of instruction for a limited-English-speaking pupil in which instruction is offered in a manner consistent with the United States Supreme Court decision in Lau v. Nichols (414 U.S. 563), the Equal Educational Opportunities Act of 1974 (20 U.S.C. Sec. 1701 et seq.), and federal regulations promulgated pursuant to such court decisions and federal statutes.

(g) "Primary language" is a language other than English which is the language the pupil first learned or the language which is spoken in the pupil's home.

(h) "Bilingual-crosscultural teacher" means a person who (1) holds a valid, regular California teaching credential and (2) holds either a bilingual-crosscultural certificate of proficiency or other credential in bilingual education authorized by the Commission for Teacher Preparation and Licensing or a bilingual-crosscultural specialist credential. Such a person shall be fluent in the primary language and familiar with the cultural heritage of the limited-English-speaking pupils in the bilingual classes he or she conducts. Such a person shall have a professional working knowledge of the methodologies which must be employed to effectively educate those pupils.

(i) "Bilingual-crosscultural teacher aide" means an aide fluent in both English and the primary language of the limited-English-speaking pupil or pupils in a bilingual-bicultural program. Such an aide shall be familiar with the cultural heritage of the limited-English-speaking pupils in the bilingual classes to which he or she is assigned.

(j) "Board" means the State Board of Education.

(k) "Superintendent" means the Superintendent of Public Instruction.

(*l*) "Self-contained classes" are classes where substantially the same group of pupils receive instruction together throughout the schoolday.

52164. (a) Each school district shall ascertain, in the month of October of each year, under regulations prescribed by the State Board of Education, the number of limited-English-speaking pupils within the district, and shall classify them according to their primary language, age, and grade level. The census shall be taken by individual, actual count and not by estimates or samplings. The results of this census shall be reported to the Department of Education by the first day of December of each year.

(b) The superintendent shall prescribe uniform census-taking methods, applicable to all school districts in the state. Such census-taking methods shall require an assessment, on a language dominance survey instrument designated by the superintendent, of all pupils whose primary language is other than English. The assessments shall be conducted by persons who can speak and understand the primary language of the limited-English-speaking pupils on the basis of procedures formulated by the superintendent to determine which pupils are limited-English-speaking pupils, as defined in subdivision (d) of Section 52163. The superintendent may waive the requirement that the assessment be conducted by persons who can speak and understand the pupil's primary language where the primary language is spoken by a small number of pupils and the district certifies that it is unable to comply. Pertinent information from the assessment forms for each pupil whose primary language is other than English shall be retained by the school district as long as the pupil is enrolled in the district. Each school district shall report annually to the Department of Education the total number of pupils whose primary language is other than English, the number of pupils who are non-English-speaking, and the number of such pupils who are limited English speaking. Each school district shall further report the total number of pupils whose primary language is other than English who have benefited from instruction pursuant to this article to the extent that they are no longer limited-English-speaking pupils, as defined in subdivision (d) of section 52163.

(c) The Department of Education shall review the results of the census each year. Where the information provided by a school district appears to be inaccurate, the department shall audit the district's census through an onsite visit. Where the census has been

incorrectly taken, or the results appear to be inaccurate, the department shall require another census to be taken and the corrected information to be provided.

52165. Each limited-English-speaking pupil enrolled in the California public school system in kindergarten through grade 12 shall receive instruction in a language understandable to the pupil which recognizes the pupil's primary language and teaches the pupil English.

(a) In kindergarten through grade 6:

(1) Whenever the language census indicates that any school of a school district has 10 or more non-English-speaking pupils or 15 or more limited-English-speaking pupils with the same primary language in the same grade level or 10 or more non-English-speaking pupils or 15 or more limited-English-speaking pupils with the same primary language, in the same age group, in a multigrade or ungraded instructional environment, the school district shall offer instruction pursuant to subdivision (b) or (c) of Section 52163 for such pupils at the school.

(2) Whenever the language census indicates that any school of a school district has 10 or more limited-English-speaking pupils with the same primary language in the same grade level or 10 or more limited-English-speaking pupils with the same primary language, in the same age group, in a multigrade or ungraded instructional environment, the school district shall offer instruction pursuant to subdivision (a), (b), or (c) of Section 52163 for such pupils at the school.

(b) In kindergarten and grades 1 through 12 limited-English-speaking pupils who are not enrolled in a program described in subdivision (a), (b), or (c) of Section 52163, shall be individually evaluated and shall receive educational services defined in subdivision (f) of Section 52163. Such services shall be provided in consultation with the pupil and the parent, parents, or guardian of the pupil.

52166. All teachers and aides providing instruction in programs established pursuant to subdivision (a), (b), or (c) of Section 52163, shall meet the criteria of subdivision (h) or (i) of Section 52163. In the event a school operates an individualized program described in subdivision (f) of Section 52163, such a district which receives categorical aid funds to meet the needs of limited-English-speaking pupils shall certify to the board that sufficient teachers and aides meeting the criteria of subdivisions (h) and (i) of Section 52163 are available to the school to ensure that all limited-English-speaking pupils have instructional opportunities in both English and their primary language to meet the intent of this chapter. Other instructional personnel who are not bilingual-crosscultural as defined in subdivisions (h) and (i) of Section 52163 may provide instructional and educational services to pupils enrolled in programs established pursuant to subdivision (a), (b), or (c) of Section 52163; provided, that the principal teachers and aides providing instruction in such

programs meet the criteria established in subdivisions (h) and (i) of Section 52163.

52167. In classes established pursuant to Section 52165, not more than two-thirds of the pupils enrolled shall be limited-English-speaking pupils; provided, that where the proportion of limited-English-speaking pupils in the school exceeds two-thirds, the proportion of limited-English-speaking pupils in such classes may exceed the proportion of limited-English-speaking pupils in the school by no more than 10 percent. In no event shall the primary purpose of the program be to teach a foreign language to English-speaking pupils.

52168. (a) The maximum reimbursement allowable for the 1977–78 and subsequent school years to school districts providing instruction pursuant to Section 52165 shall not exceed the maximum allowances established by the superintendent and the district pursuant to Section 3932 of Title 5 of the California Administrative Code, for each limited-English-speaking pupil who receives instruction in a program pursuant to Section 52165. This amount per pupil shall include all state and federal categorical aid funds allocated to schools providing programs under Section 52165 which are wholly or partially allocated on the basis of the educational needs of limited-English-speaking pupils and which are allocated by the district to schools or programs to meet the needs of such pupils. The superintendent shall ensure that funds appropriated pursuant to this article supplement and do not supplant categorical funds allocated from other local, state, or federal sources in meeting the needs of limited-English-speaking pupils.

(b) School districts may claim reimbursement out of funds appropriated pursuant to this article for expenditures in the following categories only:

(1) The employment of bilingual-crosscultural teachers and aides; however, reimbursement is available for employment expenditures only to the extent such personnel are employed in providing bilingual services to eligible pupils. School districts applying for these funds shall submit an assurance that personnel hired for this program only supplement and do not supplant district personnel.

(2) The purchase and development of special bilingual-bicultural teaching materials;

(3) The costs of special in-service training to develop bilingual-crosscultural instructional skills with preference given to teachers and teacher aides employed as part of the bilingual-bicultural program; and

(4) Reasonable expenses (which may include transportation-child care, meals, and training) of parent advisory groups on bilingual-bicultural education, at the school and school district level, in the course of their duties as members of the parent advisory groups. The State Board of Education shall adopt rules and regulations defining reasonable expenses.

(5) Health and auxiliary services to the extent that they meet the

direct needs of eligible pupils.

(6) Reasonable district administrative expenses allowed pursuant to regulations of the board.

(c) Nothing contained in this section shall be interpreted to authorize school districts to reduce per pupil expenditures from local, state, or federal sources for the education of limited-English-speaking pupils.

52169. Programs of bilingual instruction instituted and continuing pursuant to the Bilingual Education Act of 1972 shall continue until the school and grade level of instruction funded by the 1972 act are covered by this article. As such school and grade level are reached, the programs funded by the 1972 act shall be replaced by or incorporated into programs funded by this article and the applicable provisions of this article shall supplement provisions of the 1972 act.

52170. (a) Each school district which wishes to claim reimbursement shall prepare an assessment of the needs of the limited-English-speaking pupils in attendance in the district. Such assessment shall be prepared on a school-by-school basis. It shall also list, on a school-by-school basis, all of the state and federal categorical aid funds currently available for programs to meet the needs of limited-English-speaking pupils. The number of limited-English-speaking pupils, in each school, who are not being provided with services pursuant to subdivision (a), (b), (c), or (f) of Section 52163 with such special funds shall be stated.

(b) Based on the needs assessed, the school district shall submit an application on a school-by-school basis on forms provided by the Department of Education. Such application shall meet the applicable criteria of the consolidated application regulations and shall include in addition the following components: (1) teacher and aide preservice training which will identify and improve knowledge levels of each teacher and aide in teaching methodology, and bilingual-crosscultural philosophy and education, (2) an in-service training program for teachers and aides that is linked with an institution of higher education, to the maximum extent feasible, which shall include the establishment of a liaison with a nearby institution of higher education and the solicitation of help from such institution in order to upgrade continually the bilingual-crosscultural education program, and (3) an assurance that all bilingual-crosscultural aides are provided the opportunity to enroll in a career ladder program leading toward a single- or multiple-subject teaching credential, and a certificate of competence in bilingual-crosscultural education.

52171. At the beginning of each school year, the district shall assess each limited-English-speaking pupil. The pupil's achievement in comprehending, reading, and writing English and, to the extent assessment instruments are available, the second language of instruction shall be assessed. Pretesting of basic skills for pupil participants shall be conducted at the beginning of each school year, and posttesting of basic skill for pupil participants shall be conducted

at the end of each school year. At least annually there shall be submitted to the Department of Education an evaluation of pupil progress for every program which has been approved pursuant to this article. The evaluation report shall identify variables, including other programs, which may have affected pupil academic achievement.

It shall also include, but not be limited to, reading comprehension and speaking skills, in English and, to the extent assessment instruments are available, the primary language.

52172. Teachers and teacher aides who are not bilingual-crosscultural teachers and aides, as defined by subdivision (h) and (i) of Section 52163, shall not be permitted to teach in programs authorized pursuant to subdivision (a), (b), or (c) of Section 52163, except as provided in Section 52178. Such teachers are not competent, for the purposes of Section 44955, to teach in such programs.

52173. Prior to the enrollment of any pupils in any program authorized pursuant to subdivision (a), (b), or (c) of Section 52163, the governing board of the school district in which the pupil resides shall notify by mail or in person the parent, parents, or guardian of the pupil of the fact that their child or ward will be enrolled in a program of bilingual education. The notice shall contain a simple, nontechnical description of the purposes, method, and content of the program in which their child or ward will be enrolled and shall inform the parent, parents, or guardian that the parent, parents, or guardian have the right and are encouraged to visit such classes in which their child or ward will be enrolled and to come to the school for a conference to explain the nature and objectives of such education. Such notice shall further inform the parent, parents, or guardian that they have the right, if they so wish, not to have their child or ward enrolled in such an education program. Such notice shall further inform the parent, parents, or guardian that they have the opportunity to participate in the school or school district advisory committee, or both. The written notice shall be in English and in the primary language of the pupil.

52174. Any parent or guardian whose child or ward has been or will be enrolled in programs authorized pursuant to subdivision (a), (b), or (c) of Section 52163 shall have the right, either at the time of the original notification of enrollment or at the close of any semester thereafter, to withdraw his or her child or ward from the program provided by written notice to the school authorities of the school in which his or her child or ward is enrolled or to the governing board of the school district in which his or her child or ward resides.

52175. A school district governing board may allow a nonresident limited-English-speaking pupil to enroll in or attend its program authorized pursuant to subdivision (a), (b), or (c) of Section 52163 subject to Chapter 5 (commencing with Section 46600) of Part 26, provided that the tuition of the child is paid by the school district in which the pupil resides.

52176. (a) Each school district with more than 50 limited-English-speaking pupils shall establish a districtwide advisory committee on bilingual education. Parents or guardians, or both, of limited-English-speaking pupils who are not employed by the district shall constitute a majority of the committee, unless the district designates for this purpose an existing districtwide advisory committee on which parents or guardians, or both, of limited-English-speaking pupils have membership in at least the same percentage as their children and wards represent of the total number of pupils in the district, provided that a subcommittee on bilingual-bicultural education on which parents or guardians, or both, of limited-English-speaking pupils constitute a majority is established. The district advisory committee and subcommittee, if applicable, shall be responsible for at least six specific tasks. These tasks shall be to advise the district governing board regarding:

(1) Establishment of a timetable for development of a district master plan for development of a district master plan for bilingual education.

(2) Districtwide needs assessment on a school-by-school basis.

(3) Establishment of district program goals and objectives in bilingual education.

(4) Recommendations as to which schools to include in each phase of expansion.

(5) A plan to ensure compliance with the provisions of Section 52178.

(6) Administration of the annual language census.

(b) Each school with more than 20 limited-English-speaking pupils shall establish a school level advisory committee on which parents or guardians, or both, of limited-English-speaking pupils constitute membership in at least the same percentage as their children and wards represent of the total number of pupils in the school. The school may designate for this purpose an existing school level advisory committee, or subcommittee of such an advisory committee, provided the advisory committee, or subcommittee where appropriate, meets the criteria stated above.

(c) Each school advisory committee maintained pursuant to this section shall be responsible for advising the principal and staff in the development of a detailed master plan for bilingual education for the individual school and submitting the plan to the governing board for consideration for inclusion in the district master plan. It shall also be responsible for assisting in the development of the school needs assessment and language census.

The Department of Education shall develop guidelines for the selection of advisory committees established or maintained pursuant to this section.

52177. (a) Out of funds appropriated for such purposes, the superintendent shall have the duty to administer the provisions of this article. The responsibilities of the superintendent in administering this article shall include, but are not limited to,

ensuring that:

(1) Funds authorized to administer, monitor, review, or evaluate the provisions of this article are separately accounted for.

(2) Sufficient bilingual personnel are available within the Department of Education with familiarity, competency, and proficiency in bilingual-crosscultural instruction to meet the needs of this article and to administer, review, monitor, and evaluate the use of other state or federal categorical aid funds allocated to local districts which have been wholly or partially allocated on the basis of the educational needs of limited-English-speaking pupils.

(3) Department of Education personnel responsible for the administration, review, monitoring, or evaluation of programs operating pursuant to this article have been sufficiently trained to carry out the intent of this article to meet the needs of the limited-English-speaking pupil.

(4) There is within the Department of Education an administrative unit responsible for bilingual-bicultural educational programs and policies through which the superintendent shall carry out his functions pursuant to this article.

(5) Applications for reimbursement from school districts are made in accordance with this article; to assure that districts are providing each limited-English-speaking pupil with an educational opportunity equal to that available to English-speaking pupils; and to recommend acceptable projects for approval by the board.

(6) A plan is developed to provide for adequate monitoring of school and school district compliance with the provisions of this article.

(7) Develop an annual evaluation of bilingual needs and programs within the state for submission to the Legislature and to the Governor. The annual evaluation shall include a state assessment of the educational needs of pupils and other persons who are limited English speaking, and of the extent to which such needs are being met from federal, state and local efforts.

52178. All principal teachers providing instruction in programs defined by subdivision (a), (b), or (c) of Section 52163 shall be bilingual-crosscultural teachers as defined pursuant to subdivision (h) of Section 52163, or shall be bilingual in English and the primary language of the limited-English-speaking pupils in his or her class and hold an internship credential, or an emergency bilingual-crosscultural credential.

In recognition of the shortage of qualified bilingual-crosscultural teachers, a school district may request a waiver from the board for a teacher who is not bilingual-crosscultural but who is enrolled in a program leading to a certificate of competence for bilingual-crosscultural instruction, pursuant to Section 44253.5. Such a teacher, with the assistance of a bilingual-crosscultural aide, may teach in a program of bilingual instruction mandated by Section 52165 for not more than two school years. No waiver shall be granted unless the board finds that the district made a good faith effort to

recruit and hire bilingual-crosscultural teachers through the clearinghouse maintained by the Commission for Teacher Preparation and Licensing, pursuant to Section 10106. All waivers granted pursuant to this section shall expire not later than September 1, 1979.

No teacher employed after January 1, 1977, to teach in programs defined by subdivision (a), (b), or (c) of Section 52163 shall be eligible for such a waiver.

52179. Funds appropriated pursuant to this article for programs mandated pursuant to Section 52165 shall be allocated to school districts by the Superintendent of Public Instruction in the following manner:

(a) The superintendent shall rank all school districts with limited-English-speaking pupils in kindergarten through grade 6 in order of the ratio of such pupils to all pupils in kindergarten through grade 6 in the district.

(1) Districts in the upper 50 percentile of the ranking and districts with 500 or more limited-English-speaking pupils in kindergarten through grade 6 shall receive funding for all such pupils before other districts with limited-English-speaking pupils in kindergarten through grade 6 receive funding.

(2) As additional funds become available, districts shall become eligible for funds based on their ranking percentage of limited-English-speaking pupils.

(3) Districts with limited-English-speaking pupils in grades 7 through 12 shall be eligible to receive reimbursement out of funds appropriated pursuant to this article to serve such pupils only after all eligible pupils in kindergarten through grade 6 have been served and only if such pupils are enrolled in a program authorized pursuant to subdivision (a), (b), or (c) of Section 52163.

(b) (1) The superintendent shall allow to each school district eligible for funding pursuant to paragraph (1) of subdivision (a) amounts based upon the ratio of the number of limited-English-speaking pupils in the district in kindergarten and grades 1 through 6 to the total number of all such pupils in kindergarten and grades 1 through 6 in school districts eligible for funding pursuant to paragraph (1) of subdivision (a).

(2) After all such districts have been fully funded, the superintendent shall allow funds to districts eligible for funding pursuant to paragraph (2) of subdivision (a) in the same manner.

(3) After all such districts have been fully funded, the superintendent shall allow to districts with limited-English-speaking pupils in grades 7 through 12 amounts based upon the ratio of the number of limited-English-speaking pupils in the district in grades 7 through 12 to the total number of limited-English-speaking pupils in grades 7 through 12 in the state.

(c) Beginning with the 1977–78 school year and each school year thereafter until all eligible schools are served, priority for eligibility within districts shall be:

(1) Elementary schools with the largest percentage of limited-English-speaking pupils and which receive federal or state categorical resources for primary grades and which have an approved school level plan.

(2) Elementary schools with the largest percentage of limited-English-speaking pupils and which are scheduled to receive federal or state categorical resources for primary grades in the succeeding school year.

(3) Elementary schools with the largest percentage of limited-English-speaking pupils but which are not scheduled to receive federal or state categorical resources for primary grades in the succeeding school year.

(4) First priority for funding in paragraphs (1) through (3) of this subdivision shall be for pupils in kindergarten and grades 1 through 3.

(5) Schools which receive funding for kindergarten and grades 1 through 3 shall have first priority in succeeding school years for funds for pupils in grades 4, 5, and 6, to be phased in at the rate of one grade per school year.

(d) The requirements for establishing programs mandated pursuant to subdivision (a) of Section 52165 shall be in effect as, and to the extent that, schools become eligible to receive funds for such programs as determined pursuant to this section.

(e) The requirements for establishing programs mandated pursuant to subdivision (b) of Section 52165 shall be in effect beginning with the 1977–78 school year.

SEC. 485. Section 52310.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

52310.5. (a) Each regional occupational program or center shall be maintained by, and subject to the authority and control of, its governing board.

(b) The governing board of a regional occupational program or center maintained by a single school district is the governing board of the school district.

(c) The governing board of a regional occupational program or center maintained by a county superintendent of schools is the county board of education.

(d) The governing board of a regional occupational program or center established by two or more school districts pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code, shall consist of at least one member of the governing board of each of the school districts cooperating in such regional occupational program or center, such member to be selected by the governing board of the district represented by that member.

SEC. 486. Section 52327.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

52327.5. Each governing board establishing or maintaining a regional occuptional center or program pursuant to Section 52310.5

shall meet the requirements set forth in Sections 35145, 41010, 41011, 41015, 41020, 42103, 42600, 51040, 51041, 51050, and 51056.

SEC. 487. Section 52331 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

52331. A regional occupational program or center, established pursuant to Section 52301, may contract with a community college district to provide vocational education instruction and services for students enrolled, or seeking to enroll, in a regional occupational center or program. Such instruction and services shall comply with the requirements and standards for regional occupational programs and centers as set forth in the State Plan for Vocational Education.

SEC. 488. Section 52501.3 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

52501.3. Each governing board maintaining classes for adults shall meet the requirements set forth in Sections 35145, 41010, 41011, 41015, 41020, 42103, 42600, 51040, 51041, 51050, and 51056.

SEC. 489. Section 52501.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

52501.5. No revenue derived from the average daily attendance of adult education programs shall be expended for other than adult education purposes. Nor shall revenue derived from other average daily attendance be expended for adult education purposes.

SEC. 490. Section 52610 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

52610. "Adult," for purposes of this section, means a person 18 years of age or older or a person who is not concurrently enrolled in a regular high school program. However, persons 18 years of age or older who are concurrently enrolled in a regular high school program are not adults for purposes of this section. Adults enrolled in any classes maintained by high school or unified school districts or county superintendents of schools pursuant to Sections 52300 through 52330, 8530, 8531, 8532, and 8533 shall be reported separately, and the adult foundation program shall be used in computing district apportionments.

SEC. 491. Section 56033.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

56033.5. In the event that the department, pursuant to Section 56033, affirms the decision of the county superintendent of schools, the parent or guardian may petition the appropriate superior court for a writ of mandate. If a writ of mandate is issued ordering the admission of a pupil, the school district shall be liable to the parent or guardian for reasonable attorney fees and all other court costs.

SEC. 492. Section 56034.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

56034.5. Notwithstanding any other provision of law, the tuition payments required by this article shall, at the written request of the parent or guardian, be paid by the school district directly to the private nonsectarian school, institution, or agency in which the pupil is enrolled, at the end of each calendar month of attendance and in

prorated amounts determined pursuant to regulations of the Superintendent of Public Instruction.

SEC. 493. Section 56613.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

56613.5. If a parent or guardian seeks to enroll his child in an educationally handicapped program and enrollment is denied, or if a parent or guardian disagrees with the proposed enrollment of a child in a program, provision shall be made for an appeals process and, if necessary, a hearing on the issue of whether or not the child shall be enrolled.

The State Board of Education shall adopt rules and regulations relating to the conduct of such appeals processes or hearings. The rules and regulations shall ensure that educationally handicapped pupils and their parents are guaranteed procedural safeguards in appeals processes and hearings regarding pupil identification, evaluation, and educational placement.

SEC. 494. Section 56728.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

56728.5. Any regional occupational program or center providing classes for severely handicapped students approved pursuant to Section 52309 may be supervised by a person holding a valid special education credential which authorizes the person to teach such students.

SEC. 495. Section 60200 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

60200. The state board shall adopt instructional materials for use in kindergarten and grades 1 through 8 for a use period for governing boards of six years, commencing the first year of use in a district, subject to Section 60265 and to the following provisions:

(a) At least biennially, adoptions shall be made for all applicable levels for the following categories: (1) language arts, (2) mathematics, (3) reading, (4) science, (5) social science, (6) bilingual or bicultural subjects, and (7) any other subject, discipline, or interdisciplinary areas for which the state board may determine the need and desirability for instructional materials to promote the maximum efficiency of pupil learning.

(b) While categories may be designated to be adopted in alternate years, the state board shall adopt not less than five but no more than 15 of any of the following for each subject in each grade: (a) instructional materials, (b) instructional materials systems, (c) instructional materials sets, and, (d) a combination of instructional materials, instructional materials systems, and instructional materials sets, as the state board may select. However, less than five items per subject, per grade may be adopted when the state board establishes that adequate materials are not available for certain grades and subjects. The state board shall not adopt more than two instructional materials sets for each subject in each grade.

(c) In the event that a district board establishes to the satisfaction of the state board that the state-adopted instructional materials do

not promote the maximum efficiency of pupil learning in the district, the state board shall authorize that district board to use its instructional materials' credits to purchase, through the Department of Education, materials as specified by the state board, in accordance with standards and procedures established by the state board.

(d) The state board shall establish procedures to provide the most open and flexible submissions, as to timing and processing, to provide collections of instructional materials which, when taken as a whole, illustrate diverse points of view; represent cultural pluralism and provide a broad spectrum of knowledge, information, and a cross section of opinions; and allow for a combination of approaches and media to best meet the goals of a program and the needs of pupils.

(e) Upon making an adoption, the state board shall make available to listed publishers and manufacturers and all school interests a listing of instructional materials. Items placed upon lists shall remain thereon, and be available for procurement through the state's systems of financing, for a period of not less than four years following the date of initial use as established pursuant to subdivision (i). All previous adoptions shall be integrated on lists and made available by subject and level.

(f) The state board may approve multiple lists of instructional materials, without designating a grade or subject, and the state board may designate more than one grade or subject whenever the state board designates that a single subject designation or a single grade designation would not promote the maximum efficiency of pupil learning. Any materials so designated may be placed on single grade or single subject lists, or multigrade or interdisciplinary lists, or may be placed on separate lists including other materials with similar grade or subject designations; however, all materials so designated shall be adopted subject to the limitations of subdivision (b).

(g) A composite listing in the format of an order form may be used to meet the requirements of this section.

(h) The lists maintained pursuant to this section shall not be deemed to control the use period by any local district.

(i) The state board shall, at the time of initiating the call for bids for instructional materials, establish the date upon which such state-adopted materials shall initially be available for use by the pupils.

SEC. 496. Section 66903.2 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

66903.2. The commission shall issue a Health Sciences Education Plan which shall take into account the Health Manpower Plan issued by the State Department of Health pursuant to Section 429.96 of the Health and Safety Code.

SEC. 497. Section 66903.4 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

66903.4. The Health Sciences Education Plan shall consist of at least the following elements:

(a) A finding, taking into account the findings of the Health

Manpower Plan issued by the State Department of Health, as to whether health sciences education enrollment levels are adequate to meet the needs in California for health personnel, by category and specialty within each category.

(b) A finding as to the extent to which the sites of health sciences training programs make maximum available use of existing clinical and classroom resources throughout the state.

(c) Recommendations concerning the establishment of new programs or the elimination of existing programs in health sciences according to findings in subdivisions (a) and (b).

SEC. 498. Section 66903.6 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

66903.6. The commission shall issue an updated Health Sciences Education Plan and recommendations to the Legislature and the Governor on or before March 1, 1978, and on or before March 1 of every even-numbered calendar year thereafter.

SEC. 499. Chapter 13 (commencing with Section 67100) is added to Part 40 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

CHAPTER 13. STUDENT RECORDS

Article 1. Legislative Intent

67100. It is the intent of the Legislature to resolve potential conflicts between California law and the provisions of Public Law 93-380 regarding the confidentiality of student records in order to insure the continuance of federal education funds to institutions of postsecondary education within the state, and to revise generally and update the law relating to such records.

This chapter shall not apply to community colleges or community college students unless specifically provided for herein.

This chapter, except for Sections 67110, 67121, 67122, 67123, 67124, 67130, 67140, and 67143, shall not apply to private colleges or universities, or to any private educational institution operating pursuant to, or expressly excluded from the operation of, Chapter 3 (commencing with Section 94300) of Part 59 of Division 10 of this title.

Article 2. Definitions

67110. As used in this chapter:

(a) "Student record" means any item of information directly related to an identifiable student, other than directory information, which is maintained by a college or university or is required to be maintained by any employee in the performance of his duties whether recorded by handwriting, print, tapes, film, microfilm, or other means.

(b) "Student record" shall not mean information provided by a

student's parents relating to applications for financial aid or scholarships, nor shall it mean confidential letters or statements of recommendation maintained by a college or university on or before January 1, 1975, provided that such letters or statements are not used for purposes other than those for which they were specifically intended, nor shall it mean information related to a student compiled by a college or university officer or employee which remains in the sole possession of the maker and is not accessible or revealed to any other person except a substitute. For purposes of this subdivision, "substitute" shall mean a person who performs the duties of the individual who made the notes on a temporary basis and does not refer to a person who permanently succeeds the maker of the notes in his or her position.

"Student record" shall also not include information related to a student created or maintained by a physician, psychiatrist, psychologist, or other recognized professional or paraprofessional acting in his professional or paraprofessional capacity, or assisting in that capacity, and which is created, maintained, or used only in connection with the provision of treatment to the student and is not available to anyone other than persons providing such treatment; provided, however, that such a record may be personally reviewed by a physician or other appropriate professional of the student's choice.

"Student record" shall also not mean information maintained by a college or university law enforcement unit if the personnel of the unit do not have access to student records pursuant to Section 67143, if the information maintained by the unit is kept apart from information maintained pursuant to subdivision (a) of this section, if the information is maintained solely for law enforcement purposes, and if the information is not made available to persons other than law enforcement officials of the same jurisdiction, nor shall it mean information maintained in the normal course of business pertaining to persons who are employed by a college or university, provided that such information relates exclusively to such person in that person's capacity as an employee and is not available for use for any other purpose.

(c) "Directory information" means one or more of the following items: student's name, address, telephone number, date and place of birth, major field of study, class schedule, participation in officially recognized activities and sports, weight and height of members of athletic teams, dates of attendance, degrees and awards received, the most recent previous public or private school attended by the student, and any other information authorized in writing by the student.

(d) "Access" means a personal inspection and review of a record or an accurate copy of a record, an oral description or communication of a record or an accurate copy of a record, and a request to release a copy of any record.

Article 3. General Provisions

67120. Colleges and universities may establish, maintain, and destroy student records according to regulations adopted by their governing boards.

67121. Colleges and universities shall notify students in writing of their rights under this chapter upon the date of the student's enrollment next following January 1, 1977, and at least annually thereafter.

The notice shall take a form which reasonably notifies students of the availability of the following specific information:

(a) The types of student records and information contained therein which are directly related to students and maintained by the institution.

(b) The official responsible for the maintenance of each type of record.

(c) The location of the log or record required to be maintained pursuant to Section 67122.

(d) The criteria to be used by the institution in defining "officials and employees" and in determining "legitimate educational interest" as used in Section 67122 and subdivision (a) of Section 67143.

(e) The policies of the institution for reviewing and expunging those records.

(f) The right of the student to access to his records.

(g) The procedures for challenging the content of student records.

(h) The cost, if any, which will be charged for reproducing copies of records.

(i) The categories of information which the institution has designated as directory information pursuant to Section 67140.

(j) Any other rights and requirements set forth in this chapter and the right of the student to file a complaint with the United States Department of Health, Education, and Welfare concerning an alleged failure by the institution to comply with the provisions of Section 438 of the General Education Provisions Act (20 U.S.C.A. Sec. 1232g).

67122. A log or record shall be maintained for each student's record which lists all persons, agencies, or organizations requesting or receiving information from the record and the legitimate interests therefor. Such listing need not include:

(a) Students to whom access is granted pursuant to Section 67130;

(b) Parties to whom directory information is released pursuant to Section 67140;

(c) Parties for whom written consent has been executed by the student pursuant to Section 67142;

(d) Officials or employees having a legitimate educational interest pursuant to subdivision (a) of Section 67143.

The log or record shall be open to inspection only by the student and the college or university official or his designee responsible for

the maintenance of student records, and to other school officials with legitimate educational interests in the records, and to the Comptroller General of the United States, the Secretary of Health, Education, and Welfare, an administrative head of an education agency as defined in Public Law 93-380, and state educational authorities as a means of auditing the operation of the system.

67123. Any college or university may make a reasonable charge in an amount not to exceed the actual cost of furnishing copies of any student record; provided, however, that no charge may be made to search for or to retrieve any student record.

67124. Whenever a student transfers from one public or private institution of postsecondary education to another within the state, appropriate records or a copy thereof shall be transferred by the former community college, college, or university upon a request from the student; provided, however, that the community college, college, or university from which the student is transferring may notify the student that his records will be transferred upon payment by the student of all fees and charges due the community college, college, or university. Any community college, college, or university making such a transfer of such records shall notify the student of his right to receive a copy of the record and his right to a hearing to challenge the content of the record.

The California State University and Colleges Board of Trustees and the Regents of the University of California may adopt rules and regulations concerning transfer of such records to, from, or between schools under their respective jurisdictions.

Article 4. Rights of Students

67130. Any currently enrolled or former student has a right of access to all student records relating to him maintained by any public or private college or university, except those records which include information on more than one identifiable student, in which case only that information relating to the student requesting access shall be revealed.

Each college or university shall adopt procedures for the granting of requests by students to inspect and review records during regular school hours, provided that access shall be granted no later than 15 working days following the receipt of the request. Procedures shall include notification of the location of all official student records if not centrally located and the providing of qualified personnel to interpret records where appropriate.

67131. (a) A student may waive his right of access to any student records devoted solely to confidential recommendations for career placement or postsecondary admission; provided, that such recommendations are used solely for the purpose for which they were specifically intended, and provided, that the student shall be notified, upon request, of the names of all persons making confidential recommendations. Such waivers may not be required as

a condition for admission to, receipt of financial aid from, or receipt of any other services or benefits from a college or university.

(b) The fact that a waiver has or has not been executed pursuant to this section shall not be revealed to any person other than the person or persons responsible for maintenance of student records or the person or persons making the confidential recommendation.

(c) No student may be required to sign a form saying that he has not waived access to any confidential recommendation.

67132. Each college or university shall establish procedures whereby a student may request, in writing, that information be removed from the student's record which he alleges to be: (1) inaccurate; (2) an unsubstantiated personal conclusion or inference; (3) a conclusion or inference outside of the observer's area of competence; or (4) not based upon the personal observation of a named person with the time and place of the observation noted.

If any of the student's allegations are sustained, the information shall be corrected or removed from the student's record and destroyed.

If any of the student's allegations are not sustained, the student shall have the right to submit a written statement of his objections to the information. This statement shall become a part of the student's record until such time as the information objected to is corrected or removed.

67133. Whenever there is included in any student record information concerning any disciplinary action taken by college or university personnel in connection with the student, the student shall be allowed to include in such record a written statement or response concerning the disciplinary action.

Article 5. Privacy of Student Records

67140. Colleges and universities shall adopt policies identifying those categories of directory information as defined in subdivision (c) of Section 67110 which may be released. The names and addresses of students may be provided to a private school or college operating under the provisions of Chapter 3 (commencing with Section 94300) of Part 59 of Division 10 of this title, provided, however, that no such private school or college shall use such information for other than purposes directly related to the academic or professional goals of the institution, and provided further that any violation of this provision is a misdemeanor, punishable by a fine of not to exceed two thousand five hundred dollars ($2,500), and, in addition, the privilege of the school or college to receive such information shall be suspended for a period of two years from the time of discovery of the misuse of such information.

Any college or university may, in its discretion, limit or deny the release of specific categories of directory information to any public or private nonprofit organization based upon a determination of the best interests of students.

Directory information may be released according to local policy as to any student currently attending the college or university, provided that public notice is given at least annually of the categories of information which the college or university plans to release.

No directory information shall be released regarding any student when the student has notified the institution in writing that such information shall not be released.

67141. Nothing in this chapter shall preclude a college or university from providing, in its discretion, statistical data from which no student may be identified to any public agency or entity or private nonprofit college, university, or educational research and development organization when such actions would be in the best educational interests of students.

67142. A college or university may permit access to student records to any person for whom the student has executed written consent specifying the records to be released and identifying the party or class of parties to whom such records may be released. The recipient must be notified that the transmission of the information to others without the written consent of the student is prohibited. The consent notice shall be permanently kept with the record file.

67143. A college or university is not authorized to permit access to student records to any person without the written consent of the student or under judicial order except that access may be permitted to the following:

(a) Officials and employees of the college or university, provided that any such person has a legitimate educational interest to inspect a record.

(b) Authorized representatives of the Comptroller General of the United States, the Secretary of Health, Education, and Welfare, an administrative head of an education agency, state education officials, or their respective designees, or the United States Office for Civil Rights, where such information is necessary to audit or evaluate a state or federally supported education program or pursuant to a federal or state law, provided that except when collection of personally identifiable information is specifically authorized by federal law, any data collected by such officials shall be protected in a manner which will not permit the personal identification of students or their parents by other than those officials, and such personally identifiable data shall be destroyed when no longer needed for such audit, evaluation, and enforcement of federal legal requirements.

(c) Other state and local officials or authorities to the extent that information is specifically required to be reported pursuant to state law adopted prior to November 19, 1974.

(d) Officials of other public or private schools or school systems, including local, county, or state correctional facilities where educational programs are provided, where the student seeks or intends to enroll, or is directed to enroll, subject to the rights of students as provided in Section 69124.

(e) Agencies or organizations in connection with a student's application for, or receipt of, financial aid; provided, that information permitting the personal identification of students may be disclosed only as may be necessary for such purposes as to determine the eligibility of the student for financial aid, to determine the amount of the financial aid, to determine the conditions which will be imposed regarding the financial aid, or to enforce the terms or conditions of the financial aid.

(f) Accrediting organizations in order to carry out their accrediting functions.

(g) Organizations conducting studies for, or on behalf of, educational agencies or institutions for the purpose of developing, validating, or administering predictive tests, administering student aid programs, and improving instruction, if such studies are conducted in such a manner as will not permit the personal identification of students or their parents by persons other than representatives of such organizations and such information will be destroyed when no longer needed for the purpose for which it is conducted.

(h) Appropriate persons in connection with an emergency if the knowledge of such information is necessary to protect the health or safety of a student or other persons, or subject to such regulations as may be issued by the Secretary of Health, Education, and Welfare.

No person, persons, agency, or organization permitted access to student records pursuant to this section shall permit access to any information obtained from such records by any other person, persons, agency, or organization without the written consent of the student; provided, however, that this paragraph shall not be construed as to require prior student consent when information obtained pursuant to this section is shared with other persons within the educational institution, agency or organization obtaining access, so long as such persons have a legitimate educational interest in the information.

67144. Information concerning a student shall be furnished in compliance with a court order. The college or university shall make a reasonable effort to notify the student in advance of such compliance if lawfully possible within the requirements of the judicial order.

67145. The service of a subpoena upon a college or university employee solely for the purpose of causing him to produce a school record pertaining to any student may be complied with by such employee, in lieu of personal appearance as a witness in the proceeding, by submitting to the court, or other agency issuing the subpoena, at the time and place required by the subpoena, a copy of such record, accompanied by an affidavit certifying that such copy is a true copy of the original record on file in the college or university office. The copy of the record shall be in the form of a photostat, microfilm, microcard, or miniature photograph or other photographic copy or reproduction, or an enlargement thereof.

67146. The California State University and Colleges Board of Trustees shall adopt appropriate rules and regulations to insure the orderly implementation of this chapter.

67147. The provisions of this chapter shall be applicable to the University of California upon the adoption of a resolution by the Regents of the University of California making the provisions so applicable.

SEC. 500. Section 68076.6 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

68076.6. A student who is an adult alien shall be entitled to resident classification if he is a refugee who has been granted parolee status or indefinite voluntary departure status in accordance with all applicable laws of the United States; provided that he has lived in the state one year.

This section shall be operative only until June 30, 1980, and as of that date is repealed.

SEC. 501. Section 68077.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

68077.5. A student who is a minor alien shall be entitled to resident classification if both he and his parent are refugees who have been granted parolee status or indefinite voluntary departure status in accordance with all applicable laws of the United States; provided that he has lived in the state one year.

This section shall be operative only until June 30, 1980, and as of that date is repealed.

SEC. 502. Section 68082 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

68082. A student who is a native American is entitled to resident classification for attendance at a community college if the student is also attending a school administered by the Bureau of Indian Affairs located within the community college district.

As used in this section, "native American" means an American Indian.

SEC. 503. Article 1.5 (commencing with Section 69503) is added to Chapter 2, Part 42 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

Article 1.5. General Provisions

69503. In enacting this article, the Legislature finds and declares:

(a) The awarding of financial assistance to needy students by state-funded student aid programs appropriately considers family income in determining an applicant's financial need.

(b) Claiming of financial independence by students whose parents are in fact able to provide financial assistance unfairly redirects limited student aid dollars from students with legitimate financial need.

(c) Definitions and procedures by which a student may declare financial independence from the student's parents differ among

state-funded student aid programs and among institutions. A statutory definition of when a student's eligibility for need-based, state-funded grants is to be determined without regard to his or her parents' financial circumstances will reduce confusion and ensure that such grants are allocated to students on the basis of a more equitable evaluation of their financial need.

69504. The provisions of this article apply to all need-based student grants that are funded by the state or a public postsecondary educational institution under this division. Nothing in this article shall be construed as attempting to regulate the selection or awarding of scholarships to applicants by the state or a public postsecondary educational institution where the scholarships are funded and awarded pursuant to the terms of a private endowment, trust, or similar instrument.

69505. Except as provided for in Section 69506, the resources of an applicant's parents, and spouse where applicable, as well as those of the applicant, shall be considered in determining an applicant's financial need.

69506. The Student Aid Commission or any public postsecondary educational institution shall not consider the income of an applicant's parents in the determination of an applicant's financial need if the applicant, notwithstanding Section 211 of the Civil Code, meets one of the following requirements:

(a) Has been determined to be self-supporting prior to June 30, 1977, according to the procedures of the California postsecondary educational institution from which he or she is currently receiving need-based, state-funded financial aid.

(b) Has not lived with either parent or received financial assistance exceeding six hundred dollars ($600) from either parent for three consecutive tax years prior to the academic period for which aid is requested, and has not been claimed as an income tax exemption for the same period of time by anyone other than self or spouse.

(c) Has been a ward of the court, in which case appropriate court documents shall be submitted.

(d) Is an orphan and not claimed as a tax dependent during the current tax year by any person other than self or spouse.

(e) Has been a part of an extremely adverse home situation which is documented and supported by school or responsible community personnel such as a minister or social worker, which situation has led to estrangement from the family under circumstances where the student has not received a contribution in cash or kind from his family for the preceding 12 months. Public postsecondary educational institutions and the Student Aid Commission shall develop a procedure to allow students to appeal decisions on whether the student has been part of an adverse home situation.

69507. In instances where an applicant does not meet the criteria specified in Section 69506, and the parents refuse to provide financial information, the student may not be considered for a grant. In those

instances, however, the student may be considered for a loan or employment aid to the extent that such are available on the basis of the resources of the student and the student's spouse, if any.

69508. The provisions of this article shall apply only to grants to be awarded for the 1978–79 academic year.

This article shall be operative only until June 30, 1978, or until completion of the processing of applications for the 1978–79 academic year, whichever is later, and as of that date is repealed.

SEC. 504. Section 69538.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

69538.5. It is the intent of the Legislature that the Student Aid Commission shall experiment with awarding Cal Grants to students in proprietary schools. The Student Aid Commission shall report to the Legislature no later than July 1 of each year as to the extent which this intent is met within the provisions of Sections 69536 and 69538 and the following information on students attending proprietary postsecondary educational institutions:

(a) The number of students receiving Cal Grants.

(b) The names of the institutions attended by these students.

(c) The attrition rate of these students compared to students attending two- and four-year colleges or universities.

(d) The primary fields of study offered by these proprietary postsecondary educational institutions.

(e) A representative sampling of the family income of students.

This section shall remain in effect only until June 30, 1980, and as of that date is repealed.

SEC. 505. Section 71094 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

71094. The chancellor's office of the California Community Colleges shall prepare and distribute by April 1, 1977, and thereafter maintain, a detailed handbook for use by the local educational agencies and regional councils established pursuant to Section 8020. The handbook shall contain course approval criteria, implementation plans for administrative regulations, and procedures for securing course and program approvals.

SEC. 506. Section 71095 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

71095. Effective July 1, 1977, the chancellor's office of the California Community Colleges shall monitor and review courses and programs which were approved under the provisions of Section 78200 for compliance with applicable statutes and regulations on a periodic basis. Any courses or programs determined to be in noncompliance shall not receive any apportionment of state funds for attendance or average daily attendance relating to these courses or programs.

SEC. 507. Section 72013 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

72013. Every community college district shall provide access to its services, classes, and programs without regard to race, religious creed, color, national origin, ancestry, handicap, or sex.

SEC. 508. Section 72026.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

72026.5. Notwithstanding any other provision of law, in any district which has annexed or annexes territory resulting in a proposal for a rearrangement of trustee areas and which holds an election pursuant to Section 72026 and a rearrangement of boundaries is approved by the voters, in the event that such rearrangement results in a trustee area having more or fewer than its allotted number of representatives, a governing board member representing a particular trustee area whose boundaries are rearranged so that he or she no longer resides within the trustee area may serve out his or her term of office as that area's representative. Succeeding representatives shall be selected in the manner provided by law.

SEC. 509. Section 72241.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

72241.5. The governing board of a community college district may contract with a county, or city, or county superintendent of schools, or other governmental entity for services which provide a benefit to the community college district.

SEC. 510. Section 72426 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

72426. (a) The governing board of a community college district may award consultancy contracts to retired certificated employees of the community college district who have been employed by the community college district for at least 10 years and who are at least 55 years of age.

(b) The governing board of a community college district may enter into a contract with a retired certificated employee who has been employed by the community college district at least 10 years and who is at least 55 years of age whereby the retired employee is granted a consultancy contract with the community college district, which contract is renewable on an annual basis for up to five years or until the retired employee reaches age 65, whichever comes first.

SEC. 511. Section 74011.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

74011.5. A student who resides in nondistrict territory which will be annexed to a community college district effective July 1, 1976, shall be classified as a resident student of that community college district when he enrolls for the 1976 summer session even though such session begins prior to July 1st.

SEC. 512. Section 74161.4 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

74161.4. Within 20 days after the filing of a petition under Section 74161, the county superintendent of schools shall examine it and, if he finds it to be sufficient and signed as required by law, transmit the petition simultaneously to the county committee on school district organization and to the board of governors.

SEC. 513. Section 74162.3 is added to the Education Code, as enacted by Chapter 1010 of the Statutes of 1976, to read:

74162.3. The board of governors, if it approves a petition under this article, shall include provisions for the use of any community college property of the community college districts proposed to be wholly or partially included in a new community college district.

Such provisions for the use of community college property shall be deemed to be an integral part of the proposal and shall not be construed as a separate proposition.

SEC. 513.2. Section 74162.5 is added to the Education Code, as enacted by Chapter 1010 of the Statutes of 1976, to read:

74162.5. The board of governors, if it approves a petition under this article, shall include a provision for the division of property when the entire territory or a portion of the territory of a community college district is withdrawn and included in another district, or is formed into a new district, or is included in two or more new districts. All property, funds, and obligations of the former district, or portion of the former district, including the bonded indebtedness, shall be allocated as herein provided:

(a) The real property and personal property and fixtures normally situated thereat shall be the property of the district in which the real property is located; and

(b) Except as provided otherwise by law, all other property and funds, after all obligations, except for bonded indebtedness, have been discharged, shall be divided pro rata among the districts in which the territory of the former district is included.

The board of governors shall also provide for the division of funds, including cash on hand and moneys due but uncollected on the date reorganization becomes effective for all purposes, and state apportionments based on average daily attendance earned in the year immediately preceding the date reorganization becomes effective for all purposes.

In providing for the division of property, funds, and obligations, including bonded indebtedness, the board may consider (1) the ratio that the assessed valuation of the part of the district to be included within a new district bears to the entire district from which it was taken, or, (2) the ratio that the number of community college age students of the part of the district to be included within a new district bears to the entire district from which it was taken, or, (3) the average of (1) and (2) above, or (4) the value and location of the property, or, (5) such other matters as the board may deem important and pertinent. Any funds derived from the sale of bonds issued by the former district shall be used for the acquisition, construction or improvement of community college property only in the territory which comprised the former district or to discharge bonded indebtedness of the former district, except that, if the bond debt is assumed by the new district, the funds may be used in any area of the new district for the purpose for which the bonds were originally voted.

SEC. 513.4. Section 74162.7 is added to the Education Code, as enacted by Chapter 1010 of the Statutes of 1976, to read:

74162.7. The board of governors, if it approves a petition under this article, shall provide that, if the boundaries of a community college district are relocated under this article, so that a portion of the students will not be residents of the community college district thereafter maintaining a community college previously attended by the students, and if there is in the community college an organized student body, the property, funds, and obligations of the student body shall be divided as determined by the board of governors, except that the share shall not exceed an amount equal to the ratio which the number of students leaving the community college bears to the total number of students enrolled. The ownership of the property, funds, and obligations, which is the proportionate share of each segment of the student body, shall be transferred to the student body of the community college or community colleges in which the students are first enrolled during the school year next succeeding the reorganization. Funds from devises, bequests, or gifts made to the organized student body of a community college shall remain the property of the organized student body of that community college and shall not be divided.

SEC. 513.6. Section 74163.5 is added to the Education Code, as amended by Chapter 1010 of the Statutes of 1976, to read:

74163.5. When it is necessary for the board of governors to consider petitions submitted under this article and prepare a proposal relating to such a petition, each county superintendent of schools and every other county officer in the counties affected, and the district superintendent of the school districts affected shall provide the statistical information required by the board of governors to complete the study.

SEC. 514. Section 76222 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

76222. A log or record shall be maintained for each student's record which lists all persons, agencies, or organizations requesting or receiving information from the record and the legitimate interests therefor. Such listing need not include:

(a) Students to whom access is granted pursuant to Section 76230;

(b) Parties to whom directory information is released pursuant to Section 76240;

(c) Parties for whom written consent has been executed by the student pursuant to Section 76242; or

(d) Officials or employees having a legitimate educational interest pursuant to subdivision (a) of Section 76243.

The log or record shall be open to inspection only by the student and the community college official or his designee responsible for the maintenance of student records, and to other school officials with legitimate educational interests in the records, and to the Comptroller General of the United States, the Secretary of Health, Education, and Welfare, an administrative head of an education agency as defined in Public Law 93-380, and state educational authorities as a means of auditing the operation of the system.

SEC. 515. Section 78014 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

78014. (a) The Board of Governors of the California Community Colleges shall adopt rules and regulations for determining program and service components and appropriation of resources to individual college districts for the education of handicapped students. Such rules and regulations shall be based upon guidelines developed and approved by both the chancellor and the Director of Rehabilitation and shall be appropriate to the needs for education of handicapped students enrolled at a community college.

(b) As used in this section, "handicapped students" are persons enrolled at a community college who cannot benefit from the regular educational program provided by the community college at which such students are enrolled, without special services and programs, because of a physical, communication, or learning disability as defined by the Director of Rehabilitation in cooperation with the Chancellor of the California Community Colleges, following public hearings. Such a disability shall be defined in a manner consistent with the definitions given in this subdivision.

"Physical disability" means a disability attributable to a vision, mobility, orthopedic, or other health impairment. "Communication disability" means a disability attributable to a speech or hearing impairment. "Learning disability" means a disability attributable to a neurological, biochemical, or developmental impairment.

(c) The Director of Rehabilitation shall also, after public hearings and consultation with the chancellor, define "severely disabled students" for purposes of funding the excess costs of such students as authorized by subdivision (e) of Section 84850.

SEC. 516. Section 78440 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

78440. The governing board of any community college district shall have the power, with the approval of the Chancellor's Office of the Community Colleges, to establish special classes to serve the educational needs of handicapped adults. Such classes shall conform to the standards of attendance, curriculum, and administration established by the Chancellor's Office of the Community Colleges and shall be included for the purposes of receiving apportionments.

SEC. 517. Section 78452 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

78452. No community college district shall report for attendance or average daily attendance to the board of governors for apportionment any classes: (1) if the district receives full compensation for direct education costs for such class from any public or private agency, individual or group of individuals, or (2) if such classes are not located in facilities clearly identified in such a manner, and established by appropriate procedures, to insure that attendance in such classes is open to the general public, except those authorized pursuant to Section 78440.5 and those in state hospitals.

The Board of Governors of the California Community Colleges

may adopt such regulations as may be necessary to enforce this section.

SEC. 518. Section 78460.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

78460.5. The attendance of adults in community college districts shall be computed in the same manner as the attendance of any other community college student.

SEC. 519. Section 78462.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

78462.5. A student enrolled in a class offered by a community college district which is not eligible for state apportionments may be required by the governing board of the district maintaining the class to pay a fee for such class. The total revenues derived from the fee shall not exceed the estimated cost of all such classes maintained.

SEC. 520. Section 81033.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

81033.5. Geological and soils engineering studies as described in Section 81033 shall be made, within the boundaries of any special studies zone, for the construction of any school building as defined in Section 81131 or, if the estimated cost exceeds ten thousand dollars ($10,000), the reconstruction or alteration of or addition to any such school building for work which alters structural elements. The Department of General Services may require similar geological and soils engineering studies for the construction or alteration of any school building on a site located outside of the boundaries of any special studies zone. No such studies need be made if the site under consideration has been the subject of adequate prior studies.

No school building shall be constructed, reconstructed, or relocated on the trace of a geological fault along which surface rupture can reasonably be expected to occur within the life of the school building.

A copy of the report of each investigation conducted pursuant to this section shall be submitted to the Department of General Services pursuant to Article 7 (commencing with Section 81130) of this chapter of this division and to the Department of Education. The cost of geological and soil engineering studies and investigations conducted pursuant to this section may be treated as a capital expenditure.

SEC. 521. Section 81131.6 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

81131.6. For the purposes of this article and Article 8 (commencing with Section 81160) of this chapter, "school building" does not include (a) any building of a community college district which is used solely for classes or programs in outdoor science, conservation, and forestry in accordance with Article 5 (commencing with Section 8760) of Chapter 4 of Part 6 of Division 1 of Title 1, and which does not occupy, in whole or in part, the same parcel of land upon which there is situated any school maintained by the district, or (b) a greenhouse which is used exclusively for the cultivation or

protection of agricultural or horticultural products.

SEC. 522. Section 81163 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

81163. Whenever an examination of the geological characteristics of the site on which any public school building constructed prior to 1957 is situated has been made at the request of the governing board by a licensed geologist prior to the effective date of the act which enacted this section, and the report shows that the school building is situated on the trace of an active geological fault along which it can reasonably be expected that surface rupture will occur within the life of such building, such building shall be deemed structurally unsafe for school use. Such building shall be subject to replacement at another location in accordance with the procedure provided for repair, reconstruction, or replacement in Section 81162 as though it had not been constructed in conformance with Article 7 (commencing with Section 81130) of this chapter.

This section shall remain in effect only until July 1, 1977, and as of such date is repealed, unless a later enacted statute, which is chaptered before July 1, 1977, deletes or extends such date.

SEC. 523. Section 81183 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

81183. Beginning with the 1978–79 fiscal year, the county superintendent of schools, in conjunction with his review of any community college district budget pursuant to Section 85023, shall determine any unexpended funds derived from the tax levied pursuant to Section 81180 and require that such funds be utilized by the district in one of the following ways:

(a) If the district was not an applicant district pursuant to Article 9 (commencing with Section 16310) of Chapter 8 of Part 10, the unexpended funds shall be budgeted for capital outlay purposes only.

(b) If the district was an applicant pursuant to Article 9, such unexpended funds received prior to July 1, 1980, shall only be applied as a direct reduction of any Article 9 apportionment outstanding against the district. The county superintendent of schools shall in such case notify the duly authorized representative of the State Allocation Board of the amount available as a reduction of outstanding Article 9 apportionments and the authorized representative shall take the action necessary to reduce the outstanding apportionments. After July 1, 1980, any additional amounts shall be available only for the purposes of reducing the tax levy under Section 16090.

This section shall remain in effect only until June 30, 1985, and as of that date is repealed.

SEC. 524. Section 81184 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

81184. Notwithstanding the requirement, applicable after the 1974–75 fiscal year, of Section 81180 relative to the levying of a twenty-cent ($0.20) tax as a condition precedent to the levying of such a tax in subsequent years, a district having an approved

application under the provisions of Section 16321.7 may levy a tax at a rate of not to exceed twenty cents ($0.20) per one hundred dollars ($100) of assessed valuation for the 1976–77 fiscal year, under the conditions otherwise prescribed by Section 81180, for matching funds for such application. The tax rate so levied shall have the same effect for the purposes of Section 16339 as though the tax had been levied in the 1974–75 fiscal year.

SEC. 525. Article 9 (commencing with Section 81190) is added to Chapter 1 of Part 49 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

Article 9. Disposal of Sites

81190. Notwithstanding the provisions of Article 4 (commencing with Section 81360) of Chapter 2 of this part and in addition to the requirements placed upon community college districts pursuant to Section 54222 of the Government Code, the governing board of any community college district may sell, for less than fair market value, any school site that is deemed to be surplus property of the district, to any park district, city, or county in which the community college district is wholly or partially situated for use or partial use as park or recreational purposes or open-space purposes if the governing board adopts a resolution specifying that it will sell or transfer such property for less than fair market value to such an entity for such a purpose. The offer to sell shall be made in writing, but the terms by which the property may be sold or transferred need not be specifically provided.

81191. The sale or transfer may be made for cash and other valuable consideration, or for other valuable consideration, as deemed appropriate by the governing board of the community college district. The sale or transfer may be made without first taking a vote of the electors of the district.

81192. A community college district's offer to sell or transfer the land shall be made to all park districts, cities, and counties in which the community college district is wholly or partially situated pursuant to this article and shall remain open for not less than 60 days. The sale or transfer shall be made to whichever public entity first accepts the offer, or whichever public entity can negotiate satisfactorily for the purchase or transfer of such surplus land.

SEC. 526. Section 81383 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

81383. (a) It is the intent of the Legislature that community college districts be authorized under specified procedures to make vacant classrooms in operating schools available for rent or lease to other community college districts, educational agencies, governmental units, nonprofit organizations, community agencies, professional agencies, commercial and noncommercial firms, corporations, partnerships, businesses and individuals. This will place students in close relationship to the world of work, thus facilitating career

education opportunities.

(b) It is the intent of the Legislature that priority in leasing or renting vacant classroom space be given to educational agencies, particularly those conducting special education programs.

It is the intent of the Legislature that such procedures provide for community involvement by attendance area and at the district level. This community involvement should facilitate making the best possible judgments about the use of excess school facilities in each individual situation.

It is the intent of the Legislature to have the community involved before decisions are made about school closure or the use of surplus space, thus avoiding community conflict and assuring building use that is compatible with the community's needs and desires.

(c) The governing board of any district may, and the governing board of each district, prior to the sale, lease, or rental of any excess real property, except rentals not exceeding 30 days, shall, appoint a district advisory committee to advise the governing board in the development of districtwide policies and procedures governing the use of disposition of school buildings or space in school buildings which is not needed for school purposes.

(d) A district advisory committee shall consist of not less than 7 nor more than 11 members, and shall be representative of the following:

1. The ethnic, age group and socioeconomic composition of the district.

2. The business community, such as store owners, managers or supervisors.

3. Landowners and renters.

4. Instructors and administrators.

5. Parents of students.

6. Persons with expertise in environmental impact, legal contracts, building codes, and land use planning.

(e) The district advisory committee shall:

1. Review the projected enrollment and other data as provided by the district to determine the amount of surplus space.

2. Establish a priority list of use of surplus space that will be acceptable to the community.

3. Cause to have circulated throughout the attendance area a priority list of surplus space and provide for hearings of community input to the committee on acceptable uses of space.

4. Make a final determination of limits of tolerance for use of space.

5. Forward to the district governing board a report recommending uses of surplus space.

(f) An existing district advisory committee having the representation specified in subdivision (c), may be designated as the district advisory committee for the purposes of this section.

SEC. 527. Section 81645.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

81645.5. In addition to utilizing the procedures specified in Article 9 (commencing with Section 81450) of Chapter 2 of this part, any

community college district may, by direct sale or otherwise, sell to a purchaser any electronic data-processing equipment owned by, or to be owned by, the district, if the purchaser agrees to lease the equipment back to the district for use by the district following the sale.

The approval by the governing board of the district of the sale and leaseback shall be given only if the governing board finds, by resolution, that the sale and leaseback is the most economical means for providing electronic data-processing equipment to the district.

SEC. 528. Section 81646 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

81646. The governing board of a community college district may contract for electromechanical or electronic data-processing work.

SEC. 529. Section 81649.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

81649.5. It shall be unlawful to split or separate into smaller work orders or projects any project for the purpose of evading the provisions of this article requiring work to be done by contract after competitive bidding.

SEC. 530. Section 84521.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

84521.5. Commencing with the 1973–74 fiscal year and thereafter, notwithstanding Section 68076, for the purposes of crediting community college attendance for apportionments from the State School Fund, students lawfully admitted to the United States for permanent residence in accordance with all applicable laws of the United States and enrolled at a community college in a class in English and citizenship for foreigners as provided in Section 78462 shall be counted as resident students to the extent of their enrollment in such classes.

SEC. 531. Section 84524.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

84524.5. Contact hours of enrollment in noncredit courses shall be based upon a count of students present at each course meeting. Average daily attendance in noncredit courses shall be computed by dividing the sum of contact hours of enrollment by 525.

SEC. 532. Section 84726 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

84726. The chancellor's office of the California Community Colleges each year shall compute an amount of state aid in support of Community College State Teachers' Retirement contributions determined as follows:

(a) Compute an amount to be known as district aid which a tax levied on each one hundred dollars ($100) of 100 percent of the assessed valuation in such district as shown by the equalized assessment role of the district for the current year as modified pursuant to Section 84201 would produce if levied if such tax was one and six-tenths cents ($0.016) in the 1976–77 fiscal year and an additional two-tenths of one cent ($0.002) in each fiscal year

thereafter to a maximum of two cents ($0.02).

(b) Compute an amount to be known as the Foundation Program by multiplying the average daily attendance of residents of such community college district by thirty-two dollars ($32) for the 1976–77 fiscal year and an additional four dollars ($4) in each fiscal year thereafter to a maximum of forty dollars ($40).

(c) Subtract the result of subdivision (a) from the result of subdivision (b) for such district the difference to be known as state aid for the state teachers' retirement increase.

Further, the chancellor's office of the California Community Colleges shall identify to each community college district the amount of increased state aid granted under this section which shall be used as a limitation on the taxes that may be levied and collected annually under the provisions of Section 23401 of the Education Code.

SEC. 533. Section 84730.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

84730.5. The assessed valuation used for apportionments wherein the formulae require a distribution of state aid based on the assessed valuation of the school district shall be determined by adding: (a) the taxable assessed valuation of each district, including the assessed valuation of timber in the district which is assessed as such, (b) the sum of assessed valuation equivalents of revenue amounts certified pursuant to Section 27423 of the Government Code and Section 38905 of the Revenue and Taxation Code and, (c) the homeowners' and business inventory exemptions pursuant to Sections 218 and 219 of the Revenue and Taxation Code.

The assessed valuation equivalents for revenue amounts certified pursuant to Section 27423 of the Government Code and Section 38905 of the Revenue and Taxation Code shall be derived by multiplying such amounts by a factor of 100 and dividing the product by the secured tax rate for the prior year.

Each county auditor on or before November 15th shall report the assessed valuations to the Superintendent of Public Instruction on forms provided by him. The Superintendent of Public Instruction shall require the assessed valuations to be reported in such an order that the appropriate assessed valuations may be modified pursuant to Section 84201.

SEC. 534. Article 4.5 (commencing with Section 84762) is added to Chapter 5 of Part 50 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

Article 4.5. Computation of State Apportionments for Community College Districts

84762. (a) If the total units of average daily attendance for a community college district computed pursuant to Sections 84520 and 84524.5, for the 1976–77 fiscal year second principal apportionment is equal to or greater than the total units of average daily attendance computed pursuant to Sections 84520 to 84550, inclusive, for the

1975–76 fiscal year second principal apportionment, the chancellor's office of the California Community Colleges shall apportion state aid to the district for its 1975–76 fiscal year level of student attendance in accordance with subdivision (b) if the total units of average daily attendance are greater than 3,000, and subdivision (d) otherwise, and shall apportion additional state aid to the district for growth in student attendance between the 1975–76 fiscal year and the 1976–77 fiscal year in accordance with subdivision (c) if the total units of average daily attendance are greater than 3,000, and subdivision (e) otherwise.

(b) For each community college district with more than 3,000 units of average daily attendance, the state apportionment for its 1975–76 fiscal year level of student attendance shall be computed as follows:

(1) Determine the amount of the 1975–76 fiscal year second principal apportionment to the district for student attendance computed pursuant to Sections 84520 to 84550, inclusive.

(2) Multiply the amount determined in (1) by 0.06 times the equalization factor for the district determined pursuant to subdivision (f).

(3) Add the result of the computation in (2) to the amount of the 1975–76 fiscal year state second principal apportionment to the district for student attendance computed pursuant to Sections 84520 to 84550, inclusive.

(4) Multiply the amount determined in paragraph (3) by the demographic factor for the district determined pursuant to subdivision (g). The result of this computation shall be the state apportionment to the district in the 1976–77 fiscal year for its 1975–76 fiscal year level of student attendance.

(c) For each community college district with more than 3,000 units of average daily attendance for the 1975–76 fiscal year, the state apportionment in the 1976–77 fiscal year for the growth in its student attendance between the 1975–76 fiscal year and the 1976–77 fiscal year shall be computed as follows:

(1) Determine the amount of the 1975–76 fiscal year state second principal apportionment to all community college districts for student attendance computed pursuant to Sections 84520 to 84550, inclusive.

(2) Divide the amount determined in (1) by the total units of average daily attendance computed pursuant to Sections 84520 to 84550, inclusive, for all community college districts on the 1975–76 fiscal year state second principal apportionment.

(3) Multiply the result of the computation in (2) by 1.06 times the equalization factor for the district determined pursuant to subdivision (f) and the demographic factor for the district determined pursuant to subdivision (g).

(4) Determine the amount of the difference between the total units of average daily attendance for the district computed pursuant to Sections 84520 to 84550, inclusive, on the 1975–76 fiscal year state

second principal apportionment and the total units of average daily attendance for the district computed pursuant to Sections 84520 and 84524.5 for the 1976-77 fiscal year state second principal apportionment.

(5) Multiply the result of the computation in (3) by the amount determined in (4). The result of this computation shall be the state apportionment to the district in the 1976–77 fiscal year for the growth in its student attendance between the 1975–76 fiscal year and the 1976–77 fiscal year. In no case shall this amount be less than one hundred twenty-five dollars ($125) times the increase in the total units of average daily attendance for the district determined in step (4) above.

(d) For each community college district with less than 3,001 units of average daily attendance for the 1975–76 fiscal year, the state apportionment for its 1975–76 fiscal year level of student attendance shall be computed as follows:

(1) Determine the total units of average daily attendance computed pursuant to Sections 84520 to 84550, inclusive, for the 1975–76 fiscal year second principal apportionment.

(2) Determine a small district multiplier equal to $1.0/(a + bx)$ where

$a = .47615$

$b = .0001746$, and

$x =$ the units of average daily attendance determined in (1).

(3) Multiply the number determined in (2) by the amount determined pursuant to paragraph (c) (3).

(4) Multiply the number determined in (3) by the units of average daily attendance determined in (1).

(5) The state apportionment to the district for its 1975–76 fiscal year level of student attendance is the greater of paragraph (4) or that amount determined by paragraph (b) (4).

(e) If the total units of average daily attendance for the 1975–76 fiscal year are less than 3,001.

(1) Multiply the number determined in paragraph (c) (4) by the number determined in paragraph (d) (3).

(2) The state apportionment to the district in the 1976–77 fiscal year for the growth in its student attendance between the 1975–76 fiscal year and the 1976–77 fiscal year shall be the greater of paragraph (1) and that determined by paragraph (c) (5).

(f) The equalization factor for a district shall be computed as follows:

(1) Divide the total modified assessed valuation for all community college districts on the 1976–77 fiscal year second principal apportionment by the total units of resident average daily attendance for all community college districts computed pursuant to Sections 84520 and 84524.5 for the 1976–77 fiscal year second principal apportionment.

(2) Divide the modified assessed valuation for the district on the 1976–77 fiscal year second principal apportionment by the total units

of resident average daily attendance for the district computed pursuant to Sections 84520 and 84524.5 for the 1976–77 fiscal year second principal apportionment.

(3) Divide the result of the computation in (1) by the result of the computation in (2). This amount shall be the equalization factor for the district. The maximum equalization factor for any district shall be 2.

(g) The demographic factor for a district shall be computed as follows:

(1) Divide the total units of resident average daily attendance for all community college districts on the 1976–77 fiscal year second principal apportionment by the total adult population, excluding the population in state and federal correctional institutions and all persons residing in student housing associated with four-year educational institutions with an enrollment of 3,000 or more and persons residing in military barracks, for all community college districts on January 1, 1977, as estimated by the Department of Finance in cooperation with the chancellor's office.

(2) Divide the units of resident average daily attendance for the district on the 1976–77 fiscal year second principal apportionment by the total adult population, excluding the population in state and federal correctional institutions and all persons residing in student housing associated with four-year educational institutions with an enrollment of 3,000 or more and persons residing in military barracks, of the district on January 1, 1977, as estimated by the Department of Finance in cooperation with the chancellor's office.

(3) Divide the result of the computation in (1) by the result of the computation in (2). This amount in no case shall be more than 1.5.

(4) The demographic factor shall be 1.0 for those districts whose value calculated in paragraph (3) is below the median of the values calculated in paragraph (3) and for all other districts shall be 1 plus that portion of the value calculated in (3) which results in a total state apportionment of four million dollars ($4,000,000) to those districts with a value as determined in paragraph (3) of this subdivision that exceeds the statewide median value for this calculation for the demographic factor.

(h) This section is repealed as of December 31, 1977.

84763. (a) If the total units of average daily attendance for the community college district computed pursuant to Sections 84520 and 84524.5 for the 1976–77 fiscal year second principal apportionment is less than the total units of average daily attendance computed pursuant to Sections 84520 to 84550, inclusive, for the 1975–76 fiscal year second principal apportionment, the chancellor's office of the California Community Colleges shall compute the state apportionment to the district in the 1976–77 fiscal year in accordance with subdivision (b) if the total units of average daily attendance for the 1975–76 fiscal year second principal apportionment is greater than 3,000, and in accordance with subdivision (c) otherwise.

(b) The state apportionment to each community college district

with total units of average daily attendance for the 1975–76 fiscal year second principal apportionment greater than 3,000 shall be computed as follows:

(1) Determine the amount of the difference between the total units of average daily attendance for the district computed pursuant to Section 84520 to 84550, inclusive, on the 1975–76 fiscal year second principal apportionment and the total units of average daily attendance for the district computed pursuant to Section 84520 and 84524.5 for the 1976–77 fiscal year second principal apportionment.

(2) Determine the amount of the 1975–76 fiscal year second principal apportionment to the district for student attendance computed pursuant to Sections 84520 to 84550, inclusive.

(3) Divide the amount determined in (2) by the total units of average daily attendance computed pursuant to Section 84520 to 84550, inclusive, for the district on the 1975–76 fiscal year second principal apportionment.

(4) Multiply the amount determined in (1) by the result of the computation in (3).

(5) Subtract the result of the computation in (4) from the amount of the 1975–76 fiscal year second principal apportionment to the district for student attendance computed pursuant to Section 84520 to 84550, inclusive.

(6) Multiply the result of the computation in (5) by 0.06 times the equalization factor for the district determined pursuant to subdivision (f).

(7) Add the result of the computation in (6) to the result of the computation in (5).

(8) Multiply the amount determined in paragraph (7) by the demographic factor for the district determined pursuant to subdivision (g) of Section 84762. The result of this computation shall be the second principal apportionment to the district in the 1976–77 fiscal year.

(c) For each community college district with less than 3,001 units of average daily attendance for the 1975–76 fiscal year, the state apportionment shall be computed as follows:

(1) Determine the total units of average daily attendance computed pursuant to Section 84520 to 84550, inclusive, or the 1975–76 fiscal year second principal apportionment.

(2) Determine a small district multiplier equal to $1.0/ (a + bx)$ where

$a = .47615$

$b = .0001746$, and

$x =$ the units of average daily attendance determined in paragraph (1).

(3) Multiply the number determined in paragraph (2) by the number determined in paragraph (c) (3) of Section 84762.

(4) Multiply the number determined in paragraph (3) by the total units of average daily attendance computed pursuant to Sections 84520 and 84524.5 for the 1976–77 fiscal year second principal

apportionment.

(5) The state apportionment to the district shall be the greater of paragraph (4) or that amount determined by paragraph (b) (8).

(d) This section is repealed as of December 31, 1977.

84764. (a) If the total units of average daily attendance for the community college district computed pursuant to Sections 84520 and 84524.5 for the second principal apportionment in the 1977–78 fiscal year or years thereafter is equal to or greater than the total units of average daily attendance computed pursuant to Sections 84520 and 84524.5 for the prior year second principal apportionment, the chancellor's office shall apportion state aid to the district for its prior level of student attendance in accordance with subdivision (b) if the total units of average daily attendance are greater than 3,000, and subdivision (d) otherwise, and shall apportion additional state aid to the district for growth in student attendance between the prior year and the current year in accordance with subdivision (c) if the total units of average daily attendance are greater than 3,000, and subdivision (e) otherwise.

(b) For each community college district with more than 3,000 units of average daily attendance, the state apportionment for its prior year level of student attendance shall be computed as follows:

(1) Determine the amount of the prior year second principal apportionment to the district for student attendance computed pursuant to Sections 84520 and 84524.5.

(2) Multiply the amount determined in (1) by 0.06 times the equalization factor for the district determined pursuant to subdivision (f).

(3) Add the result of the computation in (2) to the amount of the prior year second principal apportionment to the district for student attendance computed pursuant to Sections 84520 and 84524.5.

(4) Multiply the amount determined in paragraph (3) by the demographic factor for the district determined pursuant to subdivision (g) of Section 84764. The result of this computation shall be the state apportionment to the district in the current year for the prior year level of student attendance.

(c) For each community college district with more than 3,000 units of average daily attendance for the prior fiscal year, the state apportionment in the current year for the growth in its student attendance between the prior year and the current year shall be computed as follows:

(1) Determine the amount of the prior year second principal apportionment to all community college districts for student attendance computed pursuant to Sections 84520 and 84524.5.

(2) Divide the amount determined in (1) by the total units of average daily attendance computed pursuant to Sections 84520 and 84524.5 for all community college districts on the prior year second principal apportionment.

(3) Multiply the result of the computation in (2) by 1.06 times the equalization factor for the district determined pursuant to

subdivision (f) and the demographic factor for the district determined pursuant to subdivision (g).

(4) Determine the amount of the difference between the total units of average daily attendance for the district computed pursuant to Sections 84520 and 84524.5 on the prior year second principal apportionment and the total units of average daily attendance for the district computed pursuant to Sections 84520 and 84524.5 for the current year second principal apportionment.

(5) Multiply the result of the computation in (3) by the amount determined in (4). The result of this computation shall be the state apportionment to the district in the current year for the growth in the student attendance between the prior year and the current year. In no case shall this amount be less than one hundred twenty-five dollars ($125) times the increase in the total units of average daily attendance for the district determined in (4).

(d) For each community college district with less than 3,001 units of average daily attendance for the prior fiscal year, the state apportionment for its prior fiscal year level of student attendance shall be computed as follows:

(1) Determine the total units of average daily attendance computed pursuant to Sections 84520 and 84524.5 for the prior fiscal year second principal apportionment.

(2) Determine a small district multiplier equal to 1.0/ (a + bx) where

a = .47615

b = .0001746, and

x = the units of average daily attendance determined in paragraph (1).

(3) Multiply the number determined in paragraph (2) by the number determined in paragraph (c) (3).

(4) Multiply the number determined in paragraph (3) by the equalization factor determined in subdivision (f).

(5) Multiply the number determined in paragraph (4) by 1.06.

(6) Multiply the number determined in paragraph (3) by the units of average daily attendance determined in paragraph (1).

(7) The state apportionment to the district for its prior fiscal year level of student attendance is the greater of (4) or that amount determined by paragraph (b) (4).

(e) If the total units of average daily attendance for the prior fiscal year are less than 3,001:

(1) Multiply the number determined in paragraph (c) (4) by the number determined in paragraph (d) (3).

(2) The state apportionment to the district in the 1977–78 fiscal year or fiscal years thereafter for the growth in its student attendance between the prior fiscal year and the current fiscal year shall be the greater of paragraph (1) and that determined by paragraph (c) (5).

(f) The equalization factor for a district shall be computed as follows:

(1) Divide the total modified assessed valuation for all community

college districts on the current year second principal apportionment by the total units of resident average daily attendance for all community college districts computed pursuant to Sections 84520 and 84524.5 for the current year second principal apportionment.

(2) Divide the modified assessed valuation for the district on the current year second principal apportionment by the total units of resident average daily attendance for the district computed pursuant to Sections 84520 and 84524.5 for the current year second principal apportionment.

(3) Divide the result of the computation in (1) by the result of the computation in (2). This amount shall be the equalization factor for the district. The maximum equalization factor for any district shall be 2.

(g) The demographic factor for a district shall be computed as follows:

(1) Divide the total units of resident average daily attendance for all community college districts on the current fiscal year second principal apportionment by the total adult population, excluding the population in state and federal correctional institutions and all persons residing in student housing associated with four-year educational institutions with an enrollment of 3,000 or more persons residing in military barracks, for all community college districts on January 1 of the current fiscal year as estimated by the Department of Finance in cooperation with the chancellor's office.

(2) Divide the units of resident average daily attendance for the district on the current fiscal year second principal apportionment by the total adult population, excluding the population in state and federal correctional institutions and all persons residing in student housing associated with four-year educational institutions with an enrollment of 3,000 or more persons residing in military barracks, of the district on January 1 of the current fiscal year as estimated by the Department of Finance in cooperation with the chancellor's office.

(3) Divide the result of the computation in (1) by the result of the computation in (2). This amount in no case shall be more than 1.5.

(4) The demographic factor shall be 1.0 for those districts whose value calculated in paragraph (3) is below the median of the values calculated in paragraph (3) and for all other districts shall be 1 plus that portion of the value calculated in (3) which results in a total state apportionment of four million dollars ($4,000,000) to those districts with a value as determined in paragraph (3) of this subdivision that exceeds the statewide median value for this calculation for the demographic factor.

84765. (a) If the total units of average daily attendance for the community college district computed pursuant to Sections 84520 and 84524.5 for the current year second principal apportionment is less than the total units of average daily attendance computed pursuant to Sections 84520 and 84524.5 for the prior year second principal apportionment, the chancellor's office of the California Community Colleges shall compute the state apportionment to the district in

accordance with subdivision (b) if the total units of average daily attendance for the prior year second principal apportionment is greater than 3,000, and in accordance with subdivision (c) otherwise.

(b) The state apportionment to each district with total units of average daily attendance for the prior year second principal apportionment greater than 3,000 shall be computed as follows:

(1) Determine the amount of the difference between the total units of average daily attendance for the district computed pursuant to Sections 84520 and 84524.5 on the prior year second principal apportionment and the total units of average daily attendance for the district computed pursuant to Sections 84520 and 84524.5 for the current year second principal apportionment.

(2) Determine the amount of the prior year second principal apportionment to the district for student attendance computed pursuant to Sections 84520 and 84524.5.

(3) Divide the amount determined in (2) by the total units of average daily attendance computed pursuant to Sections 84520 and 84524.5 for the district on the prior year second principal apportionment.

(4) Multiply the amount determined in (1) by the result of the computation in (3).

(5) Subtract the result of the computation in (4) from the amount of the prior year second principal apportionment to the district for student attendance computed pursuant to Sections 84520 and 84524.5.

(6) Multiply the result of the computation in (5) by 0.06 times the equalization factor for the district determined pursuant to subdivision (c) of Section 84764.

(7) Add the result of the computation in (6) to the result of the computation in (5).

(8) Multiply the amount determined in paragraph (7), by the demographic factor for the district determined pursuant to subdivision (g) of Section 84764. The result of this computation shall be the second principal apportionment to the district in the current year.

(c) For each community college district with less than 3,001 units of average daily attendance for the prior fiscal year, the state apportionment shall be computed as follows:

(1) Determine the total units of average daily attendance computed pursuant to Sections 84520 and 84524.5 for the prior fiscal year second principal apportionment.

(2) Determine a small district multiplier equal to $1.0/(a+bx)$ where

$a = .47615$

$b = .0001746$, and

$x =$ the units of average daily attendance determined in paragraph (1).

(3) Multiply the number determined in paragraph (2) by the number determined in paragraph (c) (3) of Section 84764.

(4) Multiply the number determined in paragraph (3) by the units of average daily attendance computed pursuant to Sections 84520 and 84524.5 for the current fiscal year second principal apportionment.

(5) The state apportionment to the district shall be the greater of paragraph (4) or that amount determined by paragraph (b) (8).

84766. For purposes of Sections 84762, 84763, 84764, and 84765, unless otherwise specified, "total units of average daily attendance" means units of average daily attendance of students who are residents of the community college district and of students as defined in Section 84767 attending in the community college district.

84767. All state allowances to a community college district for attendance of students, who are residents of the State of California but are not residing either in the district or in any district maintaining a community college district, shall be provided to the district pursuant to Section 84790.

84768. The Chancellor of the California Community Colleges shall exclude from the computation of state apportionments the units of average daily attendance of nonresident students and of inmates of any state penal institution for adults or any city, county, or city and county jail, road camp, or farm for adults; however, he shall allow any community college district, which has boundaries coterminous with those of a city and county, maintaining classes for inmates of any state institution for adults or any city, county, or city and county jail, road camp, or farm for adults an amount equal to the actual current expenses of the community college district for such classes. The amount so allowed to such a community college district for each unit of average daily attendance in such classes shall in no event exceed the amount of total state aid per unit of average daily attendance which said district would have received, had the average daily attendance in such classes not been excluded.

84769. Effective July 1, 1976, the state basic aid and state equalization aid for a community college district shall be defined as follows:

(a) State basic aid shall be defined as the amount determined by multiplying one hundred twenty-five dollars ($125) times the total units of average daily attendance computed pursuant to Sections 84520 to 84533, inclusive, for the second principal apportionment.

(b) State equalization aid shall be defined as the amount of the difference between the total state apportionment to the district computed pursuant to Section 84762, 84763, 84764, or 84765 and state basic aid to the district defined pursuant to subdivision (a).

SEC. 535. Section 84850 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

84850. (a) The Chancellor of the California Community Colleges shall apportion to each community college district for the purpose of funding the excess direct district cost of providing special facilities, special educational material, educational assistance, mobility assistance, transportation, and program developmental services for

handicapped students enrolled at a community college as defined in Section 78014, who have demonstrated a need for such services, an amount not exceeding seven hundred eighty-five dollars ($785) in each fiscal year for each such handicapped student.

(b) The Board of Governors of the California Community Colleges shall adopt rules and regulations for determining program and service components and appropriation of resources to community college districts pursuant to Section 78014. Such rules and regulations shall be based upon guidelines, developed and approved by both the chancellor and the Director of Rehabilitation after public hearings, and shall be appropriate to the educational needs of handicapped students enrolled at a community college.

The chancellor and the Director of Rehabilitation shall incorporate suggestions from other interested persons and organizations in the guidelines where feasible and appropriate.

If the chancellor and the Director of Rehabilitation are unable to agree upon any portion or portions of the guidelines, each may submit guidelines to the board of governors, which may base the rules and regulations which it adopts on any combination of guidelines submitted.

(c) Each community college district receiving an allowance under this section shall report to the chancellor on forms and at such times as he shall provide, all expenditures and incomes related to handicapped students for whom such allowances are made. If the chancellor determines that the current expense of educating such students does not equal or exceed the sum of basic state aid and state equalization aid provided in the regular community college foundation program per unit of average daily attendance, the allowance provided under this section and any amount of local tax funds contributed to the foundation program for each such handicapped student in average daily attendance in the district, then the amount of such deficiency shall be withheld from state apportionments to the district in the succeeding fiscal year in accordance with the procedure prescribed in Section 84330.

(d) The chancellor and the Director of Rehabilitation shall review programs for handicapped students funded pursuant to this section and shall report, jointly or separately, their findings and recommendations to the Legislature not later than February 15, 1978. The report shall include recommendations relative to appropriate levels of support for programs and services for handicapped students and further improvements in funding procedures.

(e) Notwithstanding subdivision (a), the chancellor may, upon recommendation of the Director of Rehabilitation, allocate amounts up to twice the amount authorized in subdivision (a) to provide for excess costs of educational services for severely disabled students as defined pursuant to subdivision (c) of Section 78014; provided, however, that any allocations made pursuant to this subdivision (e) shall not result in an increase in the total amount of funds allocated

pursuant to this section. Allocations in excess of seven hundred eighty-five dollars ($785) per student shall be provided only to programs identified by the chancellor and the Director of Rehabilitation in accordance with rules and regulations adopted pursuant to subdivision (b).

(f) In the event that requests for apportionments exceed the amount of state funds statutorily available, the chancellor shall apportion the statutorily available funds among community college districts applying for such funds in accordance with guidelines established and approved by the chancellor and the Director of Rehabilitation pursuant to this section. State apportionments shall be made only to districts which certify that all appropriate federal and local funds available for programs for handicapped students are being utilized.

(g) The chancellor's office and the Department of Rehabilitation shall jointly develop guidelines governing expenditures relating to handicapped students to prevent duplication in state expenditures for such students.

SEC. 536. Section 85112 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

85112. Any maximum rate of tax for any community college district may be increased and, having been increased, may be decreased by an amount equal to, or less than, the amount of such increase, by a majority vote of the qualified electors of the community college district at an election which may be ordered by the governing board of the community college district on its own motion and shall be ordered within 90 days after the filing with the governing board of a petition signed by not less than 10 percent of the registered voters of the district requesting that an election be ordered, unless the petitioners request that the election be consolidated with the annual election for members of the governing board, or that the election be consolidated with the general election.

The governing board shall determine whether the increase or decrease shall remain in effect for a specified or unspecified period of time, unless the petition filed by the electors provides for a specified or unspecified period of time. If a specified period is provided for in the petition or determined upon by the governing boards, such period shall be stated on the ballot.

Pursuant to the order of the governing board, the election shall be called, held, and conducted by the county superintendent of schools, as nearly as is practicable in accordance with the provisions of Chapter 3 (commencing with Section 5300) of Part 4 of Division 1 of Title 1.

The specification of the election order shall contain the information provided in Section 5322 and shall be furnished the county superintendent of schools by the governing board of the district for all maximum tax increase or decrease elections ordered by it.

The costs incurred by the county clerk or registrar of voters and

the county superintendent of schools in connection with this section shall be paid out of the funds of the district.

Except as otherwise herein provided, the ballot used in the election shall contain substantially the words "Shall the proposed (increase decrease) in the maximum tax rates from _____ ($_____) to _____ ($_____) for each one hundred dollars ($100) of assessed valuation of property, such rate to be in effect in the _____ District for the school year (or years) 19____ to 19____, the revenues of which are to be used for _____, be authorized?" or the words "Shall the proposed (increase decrease) in the maximum tax rates from _____ ($_____) to _____ ($_____) for each one hundred dollars ($100) of assessed valuation of property commencing on _____, such rate to be in effect in the _____ District for the school years commencing 19____, the revenues of which are to be used for _____, be authorized?" Opposite such words, in separate lines, the words "Yes" and "No" shall be printed, with a voting square opposite each such word. If, at any prior election held in the district, the maximum tax rate of the district was increased for a specified period of time, and if the election is called for the purpose of continuing in effect the previously authorized increase in the maximum tax rate of the district, the ballot shall contain substantially the words "Shall the existing maximum tax rate of _____ ($_____) for each one hundred dollars ($100) of assessed valuation of property be continued in the _____ District for the school years 19____ to 19____, the revenues of which are to be used for _____?" Opposite such words in separate lines, the words "Yes" and "No" shall be printed with a voting square opposite each such word. Each voter shall stamp a cross (+) in the voting square after the answer he desires to give.

Whenever the maximum tax rate of a community college district is increased for either a specified or unspecified period of time and during such period an election is called for the purpose of further increasing the maximum tax rate of the district, the ballot used in the election shall show only the authorized maximum tax rate of the district in effect at the time of the election and the proposed maximum tax rate.

If an election for a decrease in an increased maximum tax rate of a district is held in any year prior to, or concurrently with, the district election for governing board members, any decrease adopted at such election shall become effective on July 1st following the election. If an election for a decrease in an increased tax rate of a district is held in any year after the date of the district election for governing board members, any decrease adopted at such election shall not become effective until July 1st of the next succeeding year.

SEC. 537. Section 85134.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

85134.5. The maximum general purpose tax rate, which may be levied in 1976–77 or years thereafter by, or on behalf of, a community

college district pursuant to Section 85132 or 85133, may be increased in order to add the amount of the difference between the total general purpose tax revenues levied by the district during 1975–76 and the total general purpose tax revenues which the district was authorized to levy pursuant to former Section 20935 as that section read prior to July 2, 1976, plus or minus the general purpose tax revenues which the district was authorized to levy during the 1976–77 fiscal year pursuant to former Section 20936.5.

SEC. 538. Section 85237.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

85237.5. At any time during a fiscal year, the county superintendent may audit the expenditures and internal controls of community college districts he determines to be fiscally accountable. The county superintendent shall report his findings and recommendation to the governing board of the district. The governing board shall, no later than 15 days after receipt of such report, notify the county superintendent of schools of its proposed actions on his recommendation. Upon review of the governing board report, the county superintendent, at his discretion, may revoke the authority for the district to be fiscally accountable pursuant to Section 85264.

SEC. 539. Section 85265 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

85265. Notwithstanding any other provision of law to the contrary, the following procedure may be utilized to make payments to companies providing tax-sheltered annuities for employees of community college districts. The county superintendent of schools may designate one or more national or state banks having its principal office in this state, provided its deposits are insured by the Federal Deposit Insurance Corporation, to act as disbursing agents for community college districts under his jurisdiction. The county superintendent of schools may draw orders and requisitions upon the funds of the respective public employers for the purchase of authorized tax-sheltered annuities, in favor of such banks. The county auditor shall follow the procedure with respect to examining and allowing such orders and requisitions set forth in Section 85239. The county superintendent of schools, upon receiving allowed warrants from the county auditor, shall transmit them to such designated banks. As soon as feasible following transmittal of such warrants to such banks, the county superintendent of schools shall furnish such banks with listings containing all information required to enable such banks to properly disburse payments to the companies, including identification of the employees for whom the annuities are purchased, the amount of payment on behalf of each designated employee, and the company to which the payment on behalf of each designated employee is to be made. It shall be the duty of each such bank to disburse such payments to the companies entitled thereto by check, bank draft, or other appropriate instrument of the bank, within a reasonable time after receipt of each

such payment and the listings furnishing the necessary information for disbursements, which time period shall not exceed 10 working days. Such disbursing banks shall be deemed to be agents of the community college districts purchasing such annuities on behalf of their respective employees, and the moneys received by the banks shall be deemed to be deposits of the community college districts. Security for the deposits shall be furnished as required by the laws of this state.

SEC. 540. Section 85266 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

85266. With the approval of the county superintendent of schools, the governing board of a community college district may cause warrants to be drawn on the county treasury against designated funds, except debt service, of the district in the county treasury in the payment of expenses of the district. The warrants for salary and other types of claims designated by the county superintendent shall be issued by a person designated as the district disbursing officer for the school district on the county treasury in favor of the persons entitled thereto in payment of all claims in designated categories chargeable against the district which have been legally examined, allowed, and ordered paid by the governing board. The district disbursing officer shall issue warrants, using procedures prescribed by the county auditor, on the county treasury for all debts and demands, within categories designated by the county superintendent, against the district when amounts are legally approved. The form of the warrant shall be prescribed by, and approved by, the county auditor or county treasurer having jurisdiction.

The cost of printing warrants may be charged to the district. Notwithstanding Section 84000, except for assessing and tax collecting, the county auditor and county treasurer may charge those districts that draw their own warrants for the cost of all fiscal services.

Notwithstanding Section 27005 of the Government Code, or any other provision of law requiring orders for warrants or warrants to be signed by the county superintendent of schools or the county auditor, or both, the county superintendent and county auditor may prescribe alternative procedures for districts to issue warrants. The district disbursing officer shall not be considered a deputy county superintendent of schools or a deputy county auditor. The county treasurer shall pay the warrant in the designated category, if district funds are available.

County officers shall not be responsible for providing reports, statements, or other data relating to, or based on, the designated payments of expenses of the district. Those districts issuing warrants, as provided by this section, shall provide the county superintendent of schools, in the form prescribed by him, with the data necessary to make retirement reports and other reports required of him by law. All warrants, vouchers, and supporting documents shall be kept by school districts that draw their own warrants in those designated

categories.

The county superintendent shall provide for a periodic review of the districts' financial transactions and internal controls pursuant to Section 85237.5.

County superintendents of schools may provide fiscal, budgetary, and data-processing services through contractual agreements to community college districts that have been determined to be fiscally accountable under the provisions of this section.

The person authorized by the governing board of the district to issue warrants, pursuant to this section, shall execute an official bond in an amount fixed by the governing board conditioned upon the faithful performance of his duties under this section. A county superintendent or county auditor shall not be liable under the terms of their bonds or otherwise for any warrant issued pursuant to this section. This section shall not be construed as impairing the obligation of any contract in the bond of such officer in effect on January 1, 1977.

A listing of the warrants issued under this section by each community college district shall be forwarded to the county auditor having jurisdiction, upon his request, and to the county superintendent of schools having jurisdiction over the district on the same day warrants are issued. The listing, which may be magnetic tape, punched cards, or in other form, shall report, among other things, the warrant number, date of the warrant, amount of the warrant, the name of the payee, and the fund on which drawn. The form and content of the warrant listing shall be as prescribed by the county auditor or county superintendent and approved by the county auditor or county superintendent having jurisdiction.

Each district which issues warrants pursuant to this section shall furnish monthly to the county superintendent of schools and the county auditor of the county of jurisdiction, upon his request, a statement showing for the current fiscal year to date, for each required expenditure classification, the amount budgeted, actual expenditures, encumbrances and unencumbered balances.

In order to obtain the approval of the county superintendent of schools and county auditor for fiscally accountable status, the governing board of a community college district shall file a written application with the county superintendent of schools and county auditor having jurisdiction on forms which the county superintendent shall prescribe. Upon receipt of an application from the district, the county superintendent shall cause an audit to be made of the district's management and accounting controls, in accordance with standards prescribed by him, by an independent certified public accountant or public accountant approved by the county superintendent, who shall report his findings and recommendations to the county superintendent and to the applicant district. The audit report may include Department of Finance guidelines and other assessments of fiscal management as required by the county superintendent or the audit may be the report of the

annual district audit pursuant to Section 84040 if that is acceptable to the county superintendent of schools. The cost of the audit required in support of a district's application for fiscal accountability shall be borne by the applicant district.

The county superintendent and county auditor shall review the district's application and report of financial management and control and may approve the application if they find the management and accounting controls of the district to be adequate. If the county superintendent and county auditor determine that such management and accounting controls are inadequate, they shall disapprove the application.

A district that applies for fiscal accountability status shall file its written application with the county superintendent of schools on or before September 1. The required audit of financial management and accounting controls shall be filed on or before January 1. When a district's application for fiscal accountability status has been approved by the county superintendent of schools and county auditor, the issuance of warrants by the district pursuant to this section shall be effective at the beginning of a fiscal year, provided that approval had been made prior to the preceding first day in March. If disapproved, the county superintendent of schools shall state the specific steps which must be taken by the applicant district to receive approval and these changes shall be certified as completed by an independent certified public accountant or public accountant before the county superintendent shall approve the application. If at any time the county superintendent of schools or the county auditor determines that the financial management or accounting controls of the district have become inadequate, either such officer may revoke approval for fiscal accountability status effective immediately.

SEC. 542. Section 87781.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

87781.5. The governing board of a community college district may adopt rules permitting certificated employees of the district to use leave earned pursuant to Section 87781 in cases of compelling personal importance.

Leave taken pursuant to this section, together with any leave taken pursuant to Section 87784, shall not exceed six days in any single school year.

SEC. 543. Section 88205.5 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

88205.5. Notwithstanding any other provision of law, if the governing board of a community college district does not designate September 9 known as "Admission Day" as a paid holiday for classified employees pursuant to Section 79022, the district shall provide a substitute holiday for such employee.

This section shall apply to districts that have adopted the merit system in the same manner and effect as if it were a part of Article 3 (commencing with Section 88060) of this chapter.

SEC. 544. Section 89519 is added to the Education Code as enacted

by Chapter 1010 of the Statutes of 1976, to read:

89519. The trustees shall grant a leave of absence without pay for the purposes of the pregnancy, childbirth or the recovery therefrom of a female employee, for a period as determined by the employee not exceeding one year to any permanent employee under the jurisdiction of the trustees. When the employee has notified the trustees as to the period of the leave of absence required, any change in the length of the period of leave shall not be effective unless approved by the trustees.

SEC. 545. Section 89546 is added to the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

89546. (a) Every employee of a state university or college shall have the right to access to all reports, documents, correspondence, and other material which pertain to the employee which are kept by the university or college. Each employee shall also have the right to have another person of the employee's choosing accompany the employee to inspect the employee's records.

(b) Upon written request, the employee shall, within 10 calendar days of the request, be provided an exact copy of all or any portion the employee desires of any of the items specified in subdivision (a). The employee shall bear the cost of duplicating such items.

(c) If, after examination of the records pertaining to the employee, an employee believes that any portion of the material is not accurate, relevant, timely, or complete, the employee may request in writing correction of the record or deletion of the offending portion, or both. Such request shall include a written statement by the employee as to the corrections and deletions that the employee believes need to be made and the reasons therefore. This statement shall become part of the employee's personnel file.

(d) Within 21 calendar days of the request for correction of the record or deletion of the portion of the record objected to, or both, the president of the state university or college shall either accede to the employee's request or notify the employee in writing of the employee's refusal to grant the request. If the president refuses to grant the request, the president shall state the reasons for the refusal in writing, and the written statement shall become part of the employee's personnel file.

(e) The remedies authorized by this section shall be in addition to any other remedy provided by law.

(f) Personnel recommendations or decisions relating to the promotion, retention, termination, or any other personnel action shall be based primarily on material contained in the employee's personnel file and open to the employee's inspection. If a personnel recommendation or decision is based on any reasons not contained in the employee's personnel file, the party making the recommendation or decision shall commit those reasons to writing, and the written statement of those reasons shall become part of the employee's personnel file.

(g) Preemployment materials shall be excluded from the

requirements of this section, except as they may be considered in subsequent personnel actions.

SEC. 546. Article 2.5 (commencing with Section 89550) is added to Chapter 5 of Part 55 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

Article 2.5. Separation of Employees From Service for Lack of Funds or Lack of Work

89550. (a) It shall be the policy of the California State University and Colleges to provide stability of employment by foreseeing and avoiding unnecessary reductions in staff. However, when this is not possible due to lack of funds or lack of work, the staff shall be reduced in accordance with this article. The classes or teaching service areas to be reduced and the employees therein to be laid off shall be determined, in accordance with the provisions of this article, by the president of the campus after consultation with such employees and others in the same classes, specializations within classes, or teaching service areas and other persons as appropriate, including faculty and administrators. The chancellor shall make all determinations for the office of the chancellor.

(b) The office of Chancellor of the California State University and Colleges shall make a survey of all campuses in order to ascertain the availability of suitable positions where staff to be laid off may seek relocation. To the extent staff resources permit, similar efforts shall be made with respect to colleges and universities outside the California State University and Colleges.

89551. (a) Layoff of administrative and nonacademic employees shall be by class within a particular campus, or within the office of the chancellor.

(b) Layoff of academic employees shall be by teaching service area within a campus.

89552. (a) Whenever a determination has been made that there is a lack of funds or lack of work, employees in a class or teaching service area to be reduced shall be laid off in the following order:

(1) The Chancellor of the California State University and Colleges or a president of a state university or college may, at his discretion, without regard to the class or teaching service area to be reduced, separate from service any student assistant, instructor for extension service, person employed on a temporary basis, or, with respect to employment in a summer session, any member of the faculty of a campus summer session. Persons described in this paragraph, if performing the same or comparable work as that performed by a probationary or permanent employee, shall be separated before any probationary or permanent employee desiring to continue in employment is laid off pursuant to the provisions of this article.

(2) Probationary employees not employed on a temporary basis, without regard to length of service.

(3) Permanent employees:

(A) If the area of layoff is in administrative or nonacademic classes, permanent administrative and nonacademic employees in the inverse order of their length of employment both in the class and in class of equal or higher rank.

(B) If the area of layoff is in class or rank positions, permanent academic employees in the inverse order of their length of employment at the campuses.

(C) If the area of layoff is in the closely related academic area, permanent employees in the inverse order of their length of employment in the class or in classes of equal or higher level at the campuses.

(b) If the layoff is in a class, part-time employees shall be credited with the service at the campus in the proportion that the actual time employed bears to full-time employment. If the layoff is in a teaching service area, part-time permanent employees shall be credited with service as permanent employees of the campus in the proportion that the actual time served as permanent employees bears to full-time employment.

(c) In case two or more employees in the class or teaching service area are tied for a place in the order of layoff, the president or the chancellor, as appropriate to the place of employment, shall determine which of such employees shall be laid off.

89553. After a determination has been made of the class or teaching service area to be reduced and the number of employees in such class or area to be laid off, the president or chancellor shall notify each employee to be laid off, that the employee is being laid off for lack of funds or lack of work. Such notice shall be in writing and mailed by certified mail, return receipt requested, to the employee's last known address, or the notice may be delivered to the employee in person who shall acknowledge receipt of the notice in writing. The notice shall specify the effective date of layoff and shall be delivered to the employee or mailed to the employee's last known resident address at least 30 days, whenever possible, prior to the effective date of the layoff. When curricular shifts or other program changes, which can be anticipated, are to be made those who will be laid off will normally be notified at least one year in advance.

89554. An employee to be laid off may elect to accept such layoff prior to the date named in the notice of layoff. If an employee elects to accept early layoff, he should give as much notice as possible.

89555. (a) In lieu of being laid off, an administrative or nonacademic employee may elect demotion or transfer to any class in which he has served as a permanent employee or to any vacancy for which he is qualified.

(b) In lieu of being laid off, an academic teaching employee actively employed at a campus during the academic year 1975–76 or prior thereto at such campus may elect transfer to that other teaching service area in which he or she has served longest during the preceding four years at the particular campus if both of the following conditions exist:

(1) If the employee, during the four-year period immediately preceding the date of the mailing of the layoff notice, taught at least 24 semester units or 36 quarter units in any one teaching service area other than the teaching service area in which he or she is teaching on the date of the mailing of the layoff notice provided that only such units as have accrued during the academic year 1975–76 and prior thereto may be utilized for purposes of transfer under this section.

(2) If the employee has not previously during that year elected transfer in lieu of layoff.

(c) In the event an employee elects demotion or transfer, his place for layoff purposes in the class or teaching service area to which he elects demotion or transfer shall be determined in accordance with this article.

(d) An employee electing demotion or transfer shall notify the president or chancellor in writing of his election within five calendar days after receipt of the notice of layoff.

89556. (a) The president at each campus, and the chancellor at the office of the chancellor, shall establish and maintain reemployment lists of all permanent employees laid off for lack of funds or lack of work during the preceding five-year period. Laid-off permanent employees shall be listed by class or teaching service area corresponding to the class or teaching service area from which they were laid off.

(b) In the event there is a vacancy at a campus or at the office of the chancellor, for which there exists no reemployment list, the position may be offered to the persons in the appropriate class or teaching service area who are on mandatory reemployment lists at another campus or the office of the chancellor.

(c) A person shall deliver or cause to be delivered his acceptance of an offer with the following times:

(1) When the person resides in the city from which the offer is mailed, five days after the date the offer is received.

(2) When the person resides outside such city, seven days after the offer is received.

(3) When the offer is made by telephone or telegram, 48 hours after the offer is received. While a prudent effort shall be made to contact the person eligible for reemployment, it is his responsibility to keep the office maintaining the reemployment list informed of where he may be reached readily.

(d) Any person on a reemployment list who cannot be reached within five days, or who fails to reply to an offer of reemployment as required by this section, shall be deemed to have declined the offer. Such failure by any person may be excused by the president or chancellor at his discretion. If the failure is excused, the person may be reemployed or his name may be continued on the reemployment list if the vacancy has already been filled.

(e) Any person on a reemployment list may request inactive status for a prescribed period of not to exceed one year.

(f) Any person on the reemployment list who declines two offers

of reemployment shall be removed from the list. Any person removed from a reemployment list may be restored to his relative position on the list at the discretion of the president or chancellor upon a showing of good cause.

(g) Any employee reemployed pursuant to this article shall be reemployed in a class at a level at least equal to that from which he was laid off.

SEC. 547. Chapter 3.5 (commencing with Section 94360) is added to Part 59 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976, to read:

CHAPTER 3.5. UNACCREDITED LAW SCHOOLS

94360. Any law school that is not accredited by the examining committee of the State Bar shall provide every student with a disclosure statement, subsequent to the payment of any application fee but prior to the payment of any registration fee, containing the following information:

(a) The school is not accredited. However, in addition, if the school has been approved by other agencies, that fact may be so stated.

(b) Where the school has not been in operation for 10 years, the assets and liabilities of the school. However, if the school has had prior affiliation with another school that has been in operation more than 10 years, has been under the control of another school that has been in operation more than 10 years, or has been a successor to a school in operation more than 10 years, the requirements of this subdivision shall not be applicable.

(c) The number and percentage of students who have taken and who have passed the first-year law student's examination and the final bar examination in the previous five years, or since the establishment of the school, whichever is less, which will include only those students who have been certified by the school to take the examinations. This subdivision shall not apply to correspondence schools.

(d) The number of legal volumes in the library. This subdivision shall not apply to correspondence schools.

(e) The educational background, qualifications and experience of the faculty, to include whether or not the faculty members and administrators (e.g., the dean) are members of the California State Bar.

(f) The ratio of faculty to students for the previous five years or since the establishment of the school, whichever is less. This subdivision shall not apply to correspondence schools.

(g) Whether or not the school has applied for accreditation, and if so, the date of application and whether or not that application has been withdrawn, is currently pending, or has been finally denied. The school need only disclose information relating to applications made in the previous five years.

(h) That the education provided by the school may not satisfy requirements of other states for the practice of law. Applicants should inquire regarding such requirements, if any, to the state in which they may wish to practice.

The disclosure statement required by this section shall be signed by each student, who will receive as a receipt a copy of his signed disclosure statement. If any school does not comply with these requirements, it shall make a full refund of all fees paid by students.

94361. A law school not accredited by the examining committee of the State Bar may refer to itself as a university or part of a university, and if it so refers to itself, shall state whether or not the law school is associated with an undergraduate school.

94362. (a) The Superintendent of Public Instruction and the Attorney General shall take cognizance of the fact that both have definite duties and responsibilities under the provisions of this chapter.

(b) The Superintendent of Public Instruction shall report any information concerning possible violations of this chapter to the Attorney General.

(c) The Attorney General shall make such investigations as are necessary to determine whether or not there has been compliance with the provisions of this chapter.

94363. The Attorney General is hereby authorized to take such actions as are necessary, including the obtaining of injunctive relief, to enforce the provisions of this chapter.

SEC. 548. Article 2 (commencing with Section 5050) of Chapter 1 of Part 4 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976, is repealed.

SEC. 549. Chapter 4 (commencing with Section 5500) of Part 4 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 550. Section 8380 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 551. Section 8512 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 552. Section 10605 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 553. Section 10608 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 554. Section 14030 of the Education code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 555. Section 16078 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 556. Section 22141 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 557. Section 23700 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 558. Section 23701 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 559. Section 24202 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 560. Section 24501 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 561. Section 33384 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 562. Section 35517 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 563. Section 37531 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 564. Section 37645 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 565. Section 39215 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 566. Section 39216 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 567. Section 39217 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 568. Section 39218 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 569. Section 39219 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 570. Section 39220 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 571. Section 39221 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 572. Section 39222 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 573. Section 39223 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 574. Section 39224 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 575. Section 39646 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 576. Section 44034 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 577. Section 44641 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 578. Section 45314 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 579. Section 45315 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 580. Section 45316 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 581. Section 49064 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 582. Section 51224 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 583. Section 51225 of the Education Code as enacted by

Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 584. Section 52152 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 585. Section 52390 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 586. Section 52610 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 587. Section 52613 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 588. Section 54109 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 589. Section 54425 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 590. Section 54601 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 591. Section 54640 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 592. Section 54641 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 593. Section 54670 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 594. Article 4 (commencing with Section 54680) of Chapter 9 of Part 29 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 595. Section 56616 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 596. Section 56630 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 597. Section 56631 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 598. Section 56632 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 599. Section 58513 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 600. Section 60200 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 601. Section 60247 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 602. Section 60630 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 603. Section 60631 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 604. Section 60632 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 605. Section 68110 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 606. Section 74167 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 607. Section 76222 of the Education Code as enacted by

Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 608. Section 78000 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 609. Section 78400 of the Education Code is repealed.

SEC. 609.5. Section 78440 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 610. Section 78450 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 611. Section 78460 of the Education Code, as added by Chapter 1010 of the Statutes of 1976, is repealed.

SEC. 612. Section 78463 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 613. Section 78615 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 614. Section 81166 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 615. Section 81167 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 616. Section 81168 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 617. Section 81169 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 618. Section 81170 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 619. Section 81171 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 620. Section 81172 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 621. Section 81173 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 622. Section 81174 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 623. Section 81175 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 624. Section 81646 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 625. Section 84524 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 626. Section 84525 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 627. Article 3 (commencing with Section 84550) of Chapter 4 of Part 50 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 628. Section 84721 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 629. Section 84722 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 630. Section 84723 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 631. Section 84731 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 632. Section 84760 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 633. Section 84770 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 634. Section 84780 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 635. Section 84850 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 636. Section 85112 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 637. Section 85130 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 638. Section 85135 of the Education Code, as amended by Chapter 1011 of the Statutes of 1976, is repealed.

SEC. 639. Section 85136 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 640. Section 85137 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 641. Section 85138 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 642. Section 85139 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 643. Section 85140 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 644. Section 85141 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 645. Section 87034 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 646. Section 88133 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 647. Section 88134 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 648. Section 88135 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is repealed.

SEC. 649. Article 2.5 (commencing with Section 27) of Chapter 1 of Division 1 of the Education Code, as added by Chapter 777 of the Statutes of 1976, is repealed.

SEC. 650. Section 91 of the Education Code, as amended by Chapter 1176 of the Statutes of 1976, is repealed.

SEC. 651. Section 190.5 of the Education Code, as amended by Chapter 643 of the Statutes of 1976, is repealed.

SEC. 652. Section 373 of the Education Code, as added by Chapter 855 of the Statutes of 1976, is repealed.

SEC. 653. Section 403 of the Education Code, as amended by Chapter 1012 of the Statutes of 1976, is repealed.

SEC. 654. Section 472 of the Education Code, as amended by Chapter 1012 of the Statutes of 1976, is repealed.

SEC. 655. Section 473 of the Education Code, as amended by Chapter 1012 of the Statutes of 1976, is repealed.

SEC. 656. Section 474 of the Education Code, as amended by Chapter 1012 of the Statutes of 1976, is repealed.

SEC. 657. Section 475 of the Education Code, as amended by Chapter 1012 of the Statutes of 1976, is repealed.

SEC. 658. Section 477 of the Education Code, as amended by Chapter 1012 of the Statutes of 1976, is repealed.

SEC. 659. Article 7 (commencing with Section 490) of Chapter 3 of Division 2 of the Education Code, as added by Chapter 791 of the Statutes of 1976, is repealed.

SEC. 660. Section 653 of the Education Code, as amended by Chapter 767 of the Statutes of 1976, is repealed.

SEC. 661. Section 895.12 of the Education Code as amended by Chapter 433 of the Statutes of 1976, is repealed.

SEC. 662. Section 924.6 of the Education Code, as added by Chapter 516 of the Statutes of 1976, is repealed.

SEC. 663. Section 945.1 of the Education Code, as amended by Chapter 124 of the Statutes of 1976, is repealed.

SEC. 664. Section 1009.7 of the Education Code, as added by Chapter 279 of the Statutes of 1976, is repealed.

SEC. 665. Section 1070 of the Education Code, as amended by Chapter 1179 of the Statutes of 1976, is repealed.

SEC. 666. Section 1073 of the Education Code, as amended by Chapter 1423 of the Statutes of 1976, is repealed.

SEC. 667. Section 1081.5 of the Education Code, as amended by Chapter 981 of the Statutes of 1976, is repealed.

SEC. 668. Article 9.5 (commencing with Section 1084) of Chapter 3 of Division 4 of the Education Code, as enacted by Chapter 450 of the Statutes of 1976, is repealed.

SEC. 669. Section 1102 of the Education Code, as amended by Chapter 1042 of the Statutes of 1976, is repealed.

SEC. 670. Section 1114 of the Education Code, as amended by Chapter 268 of the Statutes of 1976, is repealed.

SEC. 671. Section 1117.5 of the Education Code, as added by Chapter 887 of the Statutes of 1976, is repealed.

SEC. 672. Section 1118 of the Education Code, as amended by Chapter 401 of the Statutes of 1976, is repealed.

SEC. 673. Section 1120 of the Education Code, as amended by Chapter 295 of the Statutes of 1976, is repealed.

SEC. 675. Section 1203.2 of the Education Code, as added by Chapter 950 of the Statutes of 1976, is repealed.

SEC. 676. Section 1203.5 of the Education Code, as amended by Chapter 267 of the Statutes of 1976, is repealed.

SEC. 677. Section 1251 of the Education Code, as amended by Chapter 255 of the Statutes of 1976, is repealed.

SEC. 678. Section 1463 of the Education Code, as amended by Chapter 103 of the Statutes of 1976, is repealed.

SEC. 679. Section 1992 of the Education Code, as amended by

Chapter 1042 of the Statutes of 1976, is repealed.

SEC. 680. Section 1992.1 of the Education Code, as added by Chapter 1042 of the Statutes of 1976, is repealed.

SEC. 681. Section 1992.2 of the Education Code, as added by Chapter 1042 of the Statutes of 1976, is repealed.

SEC. 682. Section 1993 of the Education Code, as amended by Chapter 1042 of the Statutes of 1976, is repealed.

SEC. 683. Section 1993.1 of the Education Code, as added by Chapter 1042 of the Statutes of 1976, is repealed.

SEC. 684. Section 1993.2 of the Education Code, as added by Chapter 1042 of the Statutes of 1976, is repealed.

SEC. 685. Section 1993.3 of the Education Code, as added by Chapter 1042 of the Statutes of 1976, is repealed.

SEC. 686. Section 1993.4 of the Education Code, as added by Chapter 1042 of the Statutes of 1976, is repealed.

SEC. 687. Section 1993.5 of the Education Code, as added by Chapter 1042 of the Statutes of 1976, is repealed.

SEC. 688. Section 1994.1 of the Education Code, as added by Chapter 1042 of the Statutes of 1976, is repealed.

SEC. 689. Section 1996 of the Education Code, as amended by Chapter 1042 of the Statutes of 1976, is repealed.

SEC. 690. Section 1999 of the Education Code, as amended by Chapter 1042 of the Statutes of 1976, is repealed.

SEC. 691. Section 2339 of the Education Code, as amended by Chapter 1042 of the Statutes of 1976, is repealed.

SEC. 692. Section 2370 of the Education Code, as amended by Chapter 1042 of the Statutes of 1976, is repealed.

SEC. 693. Section 3100 of the Education Code, as amended by Chapter 1042 of the Statutes of 1976, is repealed.

SEC. 694. Section 3106 of the Education Code, as amended by Chapter 1042 of the Statutes of 1976, is repealed.

SEC. 695. Section 3202 of the Education Code, as amended by Chapter 1042 of the Statutes of 1976, is repealed.

SEC. 696. Section 3255 of the Education Code, as amended by Chapter 1042 of the Statutes of 1976, is repealed.

SEC. 697. Section 5201 of the Education Code, as amended by Chapter 1257 of the Statutes of 1976, is repealed.

SEC. 698. Section 5207 of the Education Code, as amended by Chapter 1478 of the Statutes of 1976, is repealed.

SEC. 699. Section 5302 of the Education Code, as amended by Chapter 2 of the Statutes of 1976, is repealed.

SEC. 700. Section 5605.15 of the Education Code, as added by Chapter 1254 of the Statutes of 1976, is repealed.

SEC. 701. Section 5605.16 of the Education Code, as added by Chapter 1254 of the Statutes of 1976, is repealed.

SEC. 702. Section 5701 of the Education Code, as amended by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 703. Section 5702.1 of the Education Code, as added by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 703.5. Section 5702.5 of the Education Code, as amended by Chapter 991 of the Statutes of 1976, is repealed.

SEC. 704. Section 5708 of the Education Code, as amended by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 705. Section 5746 of the Education Code, as amended by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 706. Section 5746.1 of the Education Code, as added by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 707. Section 5749.8 of the Education Code, as amended by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 708. Section 5750.6 of the Education Code, as amended by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 709. Section 5750.10 of the Education Code, as added by Chapter 266 of the Statutes of 1976, is repealed.

SEC. 710. Section 5753 of the Education Code, as amended by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 711. Section 5753.1 of the Education Code, as amended by Chapter 991 of the Statutes of 1976, is repealed.

SEC. 712. Section 5756 of the Education Code, as amended by Chapter 991 of the Statutes of 1976, is repealed.

SEC. 713. Section 5756.1 of the Education Code, as added by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 714. Section 5756.5 of the Education Code, as amended by Chapter 991 of the Statutes of 1976, is repealed.

SEC. 715. Section 5757 of the Education Code, as amended by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 716. Section 5757.1 of the Education Code, as added by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 717. Section 5764.5 of the Education Code, as amended by Chapter 791 of the Statutes of 1976, is repealed.

SEC. 718. Chapter 5.76 (commencing with Section 5767) of Division 6 of the Education Code, as added by Chapter 978 of the Statutes of 1976, is repealed.

SEC. 719. Section 5768.2 of the Education Code, as amended by Chapter 978 of the Statutes of 1976, is repealed.

SEC. 720. Section 5768.6 of the Education Code, as amended by Chapter 978 of the Statutes of 1976, is repealed.

SEC. 721. Section 5769 of the Education Code, as amended by Chapter 978 of the Statutes of 1976, is repealed.

SEC. 722. Section 5769.4 of the Education Code, as amended by Chapter 978 of the Statutes of 1976, is repealed.

SEC. 723. Section 5778 of the Education Code, as amended by Chapter 976 of the Statutes of 1976, is repealed.

SEC. 724. Section 5778.5 of the Education Code, as amended by Chapter 976 of the Statutes of 1976, is repealed.

SEC. 725. Section 5779 of the Education Code, as amended by Chapter 791 of the Statutes of 1976, is repealed.

SEC. 726. Section 5780 of the Education Code, as amended by Chapter 791 of the Statutes of 1976, is repealed.

SEC. 727. Section 5902 of the Education Code, as amended by Chapter 1014 of the Statutes of 1976, is repealed.

SEC. 728. Section 5985.1 of the Education Code, as added by Chapter 1014 of the Statutes of 1976, is repealed.

SEC. 729. Section 5991 of the Education Code, as amended by Chapter 618 of the Statutes of 1976, is repealed.

SEC. 730. Section 6443.5 of the Education Code, as amended by Chapter 791 of the Statutes of 1976, is repealed.

SEC. 731. Section 6445.1 of the Education Code, as amended by Chapter 912 of the Statutes of 1976, is repealed.

SEC. 732. Section 6445.11 of the Education Code, as amended by Chapter 791 of the Statutes of 1976, is repealed.

SEC. 733. Section 6445.14 of the Education Code, as amended by Chapter 976 of the Statutes of 1976, is repealed.

SEC. 734. Section 6445.22 of the Education Code, as added by Chapter 976 of the Statutes of 1976, is repealed.

SEC. 735. Section 6499.56 of the Education Code, as amended by Chapter 1012 of the Statutes of 1976, is repealed.

SEC. 736. Section 6499.57 of the Education Code, as amended by Chapter 1012 of the Statutes of 1976, is repealed.

SEC. 737. Section 6499.60 of the Education Code, as amended by Chapter 1012 of the Statutes of 1976, is repealed.

SEC. 738. Section 6499.232 of the Education Code, as amended by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 739. Section 6499.237 of the Education Code, as amended by Chapter 791 of the Statutes of 1976, is repealed.

SEC. 740. Section 6750.1 of the Education Code, as amended by Chapter 321 of the Statutes of 1976, is repealed.

SEC. 741. Section 6755.4 of the Education Code, as added by Chapter 982 of the Statutes of 1976, is repealed.

SEC. 742. Section 6812.1 of the Education Code, as amended by Chapter 791 of the Statutes of 1976, is repealed.

SEC. 743. Section 6820.5 of the Education Code, as added by Chapter 321 of the Statutes of 1976, is repealed.

SEC. 744. Section 6871.6 of the Education Code, as added by Chapter 537 of the Statutes of 1976, is repealed.

SEC. 745. Section 6872.1 of the Education Code, as added by Chapter 537 of the Statutes of 1976, is repealed.

SEC. 746. Section 6880.16 of the Education Code, as amended by Chapter 346 of the Statutes of 1976, is repealed.

SEC. 747. Section 6880.46 of the Education Code, as amended by Chapter 982 of the Statutes of 1976, is repealed.

SEC. 748. Section 6950.6 of the Education Code, as added by Chapter 702 of the Statutes of 1976, is repealed.

SEC. 749. Section 7020 of the Education Code, as amended by Chapter 278 of the Statutes of 1976, is repealed.

SEC. 750. Section 7451.7 of the Education Code, as amended by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 751. Section 7451.11 of the Education Code, as added by

Chapter 323 of the Statutes of 1976, is repealed.

SEC. 752. Section 7455.3 of the Education Code, as amended by Chapter 989 of the Statutes of 1976, is repealed.

SEC. 753. Section 7456 of the Education Code, as amended by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 754. Section 7459 of the Education Code, as amended by Chapter 992 of the Statutes of 1976, is repealed.

SEC. 755. Section 7460 of the Education Code, as amended by Chapter 991 of the Statutes of 1976, is repealed.

SEC. 756. Section 7463.5 of the Education Code, as added by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 757. Section 7466.5 of the Education Code, as added by Chapter 767 of the Statutes of 1976, is repealed.

SEC. 758. Section 8573 of the Education Code, as added by Chapter 856 of the Statutes of 1976, is repealed.

SEC. 759. Section 8574 of the Education Code, as added by Chapter 856 of the Statutes of 1976, is repealed.

SEC. 760. Section 8574.5 of the Education Code, as added by Chapter 856 of the Statutes of 1976, is repealed.

SEC. 761. Section 8575 of the Education Code, as amended by Chapter 856 of the Statutes of 1976, is repealed.

SEC. 762. Section 9222 of the Education Code, as amended by Chapter 1003 of the Statutes of 1976, is repealed.

SEC. 763. Section 9322 of the Education Code, as amended by Chapter 817 of the Statutes of 1976, is repealed.

SEC. 764. Section 9400 of the Education Code, as added by Chapter 817 of the Statutes of 1976, is repealed.

SEC. 765. Section 9401 of the Education Code, as amended by Chapter 817 of the Statutes of 1976, is repealed.

SEC. 766. Section 9402 of the Education Code, as amended by Chapter 1003 of the Statutes of 1976, is repealed.

SEC. 767. Section 9404 of the Education Code, as amended by Chapter 1003 of the Statutes of 1976, is repealed.

SEC. 768. Section 9422 of the Education Code, as amended by Chapter 817 of the Statutes of 1976, is repealed.

SEC. 769. Section 9423 of the Education Code, as amended by Chapter 817 of the Statutes of 1976, is repealed.

SEC. 770. Section 9461 of the Education Code, as amended by Chapter 1003 of the Statutes of 1976, is repealed.

SEC. 771. Section 10705 of the Education Code, as amended by Chapter 349 of the Statutes of 1976, is repealed.

SEC. 772. Section 10805.1 of the Education Code, as added by Chapter 235 of the Statutes of 1976, is repealed.

SEC. 773. Section 10921 of the Education Code, as amended by Chapter 537 of the Statutes of 1976, is repealed.

SEC. 774. Section 10926 of the Education Code, as added by Chapter 361 of the Statutes of 1976, is repealed.

SEC. 775. Section 10932 of the Education Code, as amended by Chapter 1297 of the Statutes of 1976, is repealed.

SEC. 776. Section 10934 of the Education Code, as amended by Chapter 1297 of the Statutes of 1976, is repealed.

SEC. 777. Section 10935 of the Education Code, as added by Chapter 1297 of the Statutes of 1976, is repealed.

SEC. 778. Section 10936 of the Education Code, as amended by Chapter 1297 of the Statutes of 1976, is repealed.

SEC. 779. Section 10939 of the Education Code, as amended by Chapter 1297 of the Statutes of 1976, is repealed.

SEC. 780. Section 10940 of the Education Code, as amended by Chapter 1297 of the Statutes of 1976, is repealed.

SEC. 781. Section 10941 of the Education Code, as amended by Chapter 1297 of the Statutes of 1976, is repealed.

SEC. 782. Section 10946 of the Education Code, as amended by Chapter 1297 of the Statutes of 1976, is repealed.

SEC. 783. Section 10947 of the Education Code, as amended by Chapter 1297 of the Statutes of 1976, is repealed.

SEC. 784. Section 10948 of the Education Code, as amended by Chapter 1297 of the Statutes of 1976, is repealed.

SEC. 785. Section 10953 of the Education Code, as amended by Chapter 866 of the Statutes of 1976, is repealed.

SEC. 786. Section 11002 of the Education Code, as amended by Chapter 1249 of the Statutes of 1976, is repealed.

SEC. 787. Section 11251 of the Education Code, as amended by Chapter 863 of the Statutes of 1976, is repealed.

SEC. 788. Section 11475 of the Education Code, as amended by Chapter 991 of the Statutes of 1976, is repealed.

SEC. 789. Section 11475.1 of the Education Code, as amended by Chapter 991 of the Statutes of 1976, is repealed.

SEC. 790. Section 11475.2 of the Education Code, as added by Chapter 991 of the Statutes of 1976, is repealed.

SEC. 791. Section 11475.5 of the Education Code, as amended by Chapter 991 of the Statutes of 1976, is repealed.

SEC. 792. Section 11476.1 of the Education Code, as added by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 793. Section 11477 of the Education Code, as amended by Chapter 991 of the Statutes of 1976, is repealed.

SEC. 794. Section 11481 of the Education Code, as amended by Chapter 991 of the Statutes of 1976, is repealed.

SEC. 795. Section 11487 of the Education Code, as amended by Chapter 809 of the Statutes of 1976, is repealed.

SEC. 796. Section 11501 of the Education Code, as amended by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 797. Section 12101 of the Education Code, as amended by Chapter 904 of the Statutes of 1976, is repealed.

SEC. 798. Section 12101.1 of the Education Code, as added by Chapter 904 of the Statutes of 1976, is repealed.

SEC. 799. Section 12406 of the Education Code, as amended by Chapter 1032 of the Statutes of 1976, is repealed.

SEC. 800. Section 12603 of the Education Code, as amended by

Chapter 315 of the Statutes of 1976, is repealed.

SEC. 801. Section 12605 of the Education Code, as amended by Chapter 315 of the Statutes of 1976, is repealed.

SEC. 802. Section 12851 of the Education Code, as amended by Chapter 690 of the Statutes of 1976, is repealed.

SEC. 803. Section 12910 of the Education Code, as amended by Chapter 947 of the Statutes of 1976, is repealed.

SEC. 804. Section 12911 of the Education Code, as amended by Chapter 947 of the Statutes of 1976, is repealed.

SEC. 805. Article 1.5 (commencing with Section 12930) of Chapter 1 of Division 10 of the Education Code, as added by Chapter 1423 of the Statutes of 1976, is repealed.

SEC. 806. Section 13116.1 of the Education Code, as amended by Chapter 1251 of the Statutes of 1976, is repealed.

SEC. 807. Section 13125.4 of the Education Code, as added by Chapter 984 of the Statutes of 1976, is repealed.

SEC. 808. Section 13125.5 of the Education Code, as added by Chapter 984 of the Statutes of 1976, is repealed.

SEC. 809. Section 13134 of the Education Code, as amended by Chapter 1251 of the Statutes of 1976, is repealed.

SEC. 810. Section 13135.1 of the Education Code, as amended by Chapter 1255 of the Statutes of 1976, is repealed.

SEC. 811. Section 13166 of the Education Code, as amended by Chapter 1250 of the Statutes of 1976, is repealed.

SEC. 812. Section 13175 of the Education Code, as amended by Chapter 947 of the Statutes of 1976, is repealed.

SEC. 813. Section 13220.16 of the Education Code, as amended by Chapter 947 of the Statutes of 1976, is repealed.

SEC. 814. Section 13271 of the Education Code, as amended by Chapter 65 of the Statutes of 1976, is repealed.

SEC. 815. Section 13329 of the Education Code, as amended by Chapter 639 of the Statutes of 1976, is repealed.

SEC. 816. Section 13401.5 of the Education Code, as added by Chapter 926 of the Statutes of 1976, is repealed.

SEC. 817. Section 13468.4 of the Education Code, as added by Chapter 587 of the Statutes of 1976, is repealed.

SEC. 818. Section 13501.5 of the Education Code, as amended by Chapter 309 of the Statutes of 1976, is repealed.

SEC. 819. Section 13529 of the Education Code, as amended by Chapter 884 of the Statutes of 1976, is repealed.

SEC. 820. Section 13656 of the Education Code, as amended by Chapter 1257 of the Statutes of 1976, is repealed.

SEC. 821. Section 13656.2 of the Education Code, as amended by Chapter 1257 of the Statutes of 1976, is repealed.

SEC. 822. Section 13656.4 of the Education Code, as added by Chapter 1257 of the Statutes of 1976, is repealed.

SEC. 823. Section 13657 of the Education Code, as amended by Chapter 38 of the Statutes of 1976, is repealed.

SEC. 824. Section 13708 of the Education Code, as amended by

Chapter 294 of the Statutes of 1976, is repealed.

SEC. 825. Section 13830 of the Education Code, as amended by Chapter 1322 of the Statutes of 1976, is repealed.

SEC. 826. Section 13832 of the Education Code, as amended by Chapter 1308 of the Statutes of 1976, is repealed.

SEC. 827. Section 13835.2 of the Education Code, as amended by Chapter 1412 of the Statutes of 1976, is repealed.

SEC. 828. Section 13838 of the Education Code, as amended by Chapter 1308 of the Statutes of 1976, is repealed.

SEC. 829. Section 13846.5 of the Education Code, as added by Chapter 1412 of the Statutes of 1976, is repealed.

SEC. 830. Section 13846.5 of the Education Code, as added by Chapter 1308 of the Statutes of 1976, is repealed.

SEC. 831. Section 13846.8 of the Education Code, as amended by Chapter 1412 of the Statutes of 1976, is repealed.

SEC. 832. Section 13870.2 of the Education Code, as added by Chapter 818 of the Statutes of 1976, is repealed.

SEC. 833. Section 13931 of the Education Code, as amended by Chapter 560 of the Statutes of 1976, is repealed.

SEC. 834. Section 13946 of the Education Code, as added by Chapter 1308 of the Statutes of 1976, is repealed.

SEC. 835. Section 13969 of the Education Code, as added by Chapter 1308 of the Statutes of 1976, is repealed.

SEC. 836. Section 13988.1 of the Education Code, as added by Chapter 105 of the Statutes of 1976, is repealed.

SEC. 837. Section 13988.2 of the Education Code, as added by Chapter 105 of the Statutes of 1976, is repealed.

SEC. 838. Section 13988.3 of the Education Code, as added by Chapter 105 of the Statutes of 1976, is repealed.

SEC. 839. Section 13997 of the Education Code, as amended by Chapter 688 of the Statutes of 1976, is repealed.

SEC. 840. Section 14023 of the Education Code, as amended by Chapter 1308 of the Statutes of 1976, is repealed.

SEC. 841. Section 14031 of the Education Code, as amended by Chapter 1308 of the Statutes of 1976, is repealed.

SEC. 842. Section 14056 of the Education Code, as amended by Chapter 1308 of the Statutes of 1976, is repealed.

SEC. 843. Section 14070 of the Education Code, as amended by Chapter 1308 of the Statutes of 1976, is repealed.

SEC. 844. Section 14076 of the Education Code, as amended by Chapter 605 of the Statutes of 1976, is repealed.

SEC. 845. Section 14084.1 of the Education Code, as amended by Chapter 1308 of the Statutes of 1976, is repealed.

SEC. 846. Section 14100.5 of the Education Code, as added by Chapter 1316 of the Statutes of 1976, is repealed.

SEC. 847. Section 14111 of the Education Code, as amended by Chapter 991 of the Statutes of 1976, is repealed.

SEC. 848. Section 14116.5 of the Education Code, as amended by Chapter 1308 of the Statutes of 1976, is repealed.

SEC. 849. Section 14116.10 of the Education Code, as amended by Chapter 1308 of the Statutes of 1976, is repealed.

SEC. 850. Section 14152 of the Education Code, as added by Chapter 560 of the Statutes of 1976, is repealed.

SEC. 851. Section 14153 of the Education Code, as amended by Chapter 560 of the Statutes of 1976, is repealed.

SEC. 852. Section 14154 of the Education Code, as amended by Chapter 560 of the Statutes of 1976, is repealed.

SEC. 853. Section 14155 of the Education Code, as amended by Chapter 560 of the Statutes of 1976, is repealed.

SEC. 854. Section 14180 of the Education Code, as amended by Chapter 560 of the Statutes of 1976, is repealed.

SEC. 855. Section 14185 of the Education Code, as amended by Chapter 560 of the Statutes of 1976, is repealed.

SEC. 856. Section 14186 of the Education Code, as amended by Section 2.5 of Chapter 1322 of the Statutes of 1976, is repealed.

SEC. 857. Section 14189 of the Education Code, as amended by Chapter 1322 of the Statutes of 1976, is repealed.

SEC. 858. Section 14210 of the Education Code, as amended by Chapter 1412 of the Statutes of 1976, is repealed.

SEC. 859. Section 14210.5 of the Education Code, as added by Chapter 1412 of the Statutes of 1976, is repealed.

SEC. 860. Section 14214 of the Education Code, as amended by Chapter 1412 of the Statutes of 1976, is repealed.

SEC. 861. Section 14214.1 of the Education Code, as added by Chapter 1412 of the Statutes of 1976, is repealed.

SEC. 862. Section 14214.3 of the Education Code, as added by Chapter 1412 of the Statutes of 1976, is repealed.

SEC. 863. Section 14220.1 of the Education Code, as amended by Chapter 1412 of the Statutes of 1976, is repealed.

SEC. 864. Section 14220.5 of the Education Code, as amended by Chapter 1412 of the Statutes of 1976, is repealed.

SEC. 865. Section 14225 of the Education Code, as amended by Chapter 697 of the Statutes of 1976, is repealed.

SEC. 866. Section 14226 of the Education Code, as amended by Chapter 697 of the Statutes of 1976, is repealed.

SEC. 867. Section 14227 of the Education Code, as amended by Chapter 697 of the Statutes of 1976, is repealed.

SEC. 868. Section 14228 of the Education Code, as amended by Chapter 697 of the Statutes of 1976, is repealed.

SEC. 869. Section 14245 of the Education Code, as amended by Chapter 991 of the Statutes of 1976, is repealed.

SEC. 870. Section 14245.2 of the Education Code, as added by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 871. Section 14260 of the Education Code, as amended by Chapter 1412 of the Statutes of 1976, is repealed.

SEC. 872. Section 14280 of the Education Code, as amended by Chapter 1308 of the Statutes of 1976, is repealed.

SEC. 873. Section 14283 of the Education Code, as added by

Chapter 1308 of the Statutes of 1976, is repealed

SEC. 874. Section 14284 of the Education Code, as amended by Chapter 1308 of the Statutes of 1976, is repealed.

SEC. 875. Section 14390 of the Education Code, as amended by Chapter 827 of the Statutes of 1976, is repealed.

SEC. 876. Section 15002.1 of the Education Code, as amended by Chapter 557 of the Statutes of 1976, is repealed.

SEC. 877. Section 15002.2 of the Education Code, as added by Chapter 557 of the Statutes of 1976, is repealed.

SEC. 878. Section 15002.3 of the Education Code, as added by Chapter 557 of the Statutes of 1976, is repealed.

SEC. 879. Article 2 (commencing with Section 15051) of Chapter 1 of Division 11 of the Education Code, as added by Chapter 1248 of the Statutes of 1976, is repealed.

SEC. 880. Section 15451 of the Education Code, as amended by Chapter 1402 of the Statutes of 1976, is repealed.

SEC. 881. Section 15452.3 of the Education Code, as added by Section 2 of Chapter 1486 of the Statutes of 1976, is repealed.

SEC. 882. Section 15454 of the Education Code, as amended by Chapter 1402 of the Statutes of 1976, is repealed.

SEC. 883. Section 15459.1 of the Education Code, as amended by Chapter 677 of the Statutes of 1976, is repealed.

SEC. 884. Section 15501 of the Education Code, as amended by Chapter 251 of the Statutes of 1976, is repealed.

SEC. 885. Section 15503.1 of the Education Code, as added by Chapter 304 of the Statutes of 1976, is repealed.

SEC. 886. Section 15503.5 of the Education Code, as amended by Chapter 1469 of the Statutes of 1976, is repealed.

SEC. 887. Section 15516 of the Education Code, as amended by Chapter 702 of the Statutes of 1976, is repealed.

SEC. 888. Section 15518 of the Education Code, as amended by Chapter 702 of the Statutes of 1976, is repealed.

SEC. 889. Section 15518.01 of the Education Code, as added by Chapter 702 of the Statutes of 1976, is repealed.

SEC. 890. Section 15518.2 of the Education Code, as added by Chapter 515 of the Statutes of 1976, is repealed.

SEC. 891. Section 15716 of the Education Code, as amended by Chapter 281 of the Statutes of 1976, is repealed.

SEC. 892. Section 15802.1 of the Education Code, as amended by Chapter 359 of the Statutes of 1976, is repealed.

SEC. 893. Section 15815 of the Education Code, as added by Chapter 640 of the Statutes of 1976, is repealed.

SEC. 894. Section 15835 of the Education Code, as amended by Chapter 296 of the Statutes of 1976, is repealed.

SEC. 895. Section 15955.3 of the Education Code, as added by Chapter 311 of the Statutes of 1976, is repealed.

SEC. 896. Section 15955.5 of the Education Code, as added by Chapter 1253 of the Statutes of 1976, is repealed.

SEC. 897. Section 15957.1 of the Education Code, as added by

Chapter 921 of the Statutes of 1976, is repealed.

SEC. 898. Section 15958 of the Education Code, as amended by Chapter 216 of the Statutes of 1976, is repealed.

SEC. 899. Section 16051.1 of the Education Code, as added by Chapter 606 of the Statutes of 1976, is repealed.

SEC. 900. Section 16053.1 of the Education Code, as amended by Chapter 1248 of the Statutes of 1976, is repealed.

SEC. 901. Section 16075 of the Education Code, as amended by Chapter 606 of the Statutes of 1976, is repealed.

SEC. 902. Section 16501 of the Education Code, as amended by Chapter 468 of the Statutes of 1976, is repealed.

SEC. 903. Section 16521 of the Education Code, as amended by Chapter 387 of the Statutes of 1976, is repealed.

SEC. 904. Section 16665 of the Education Code, as added by Chapter 758 of the Statutes of 1976, is repealed.

SEC. 905. Division 12.4 (commencing with Section 16690) of the Education Code, as added by Chapter 344 of the Statutes of 1976, is repealed.

SEC. 906. Section 16702 of the Education Code, as amended by Chapter 1466 of the Statutes of 1976, is repealed.

SEC. 907. Section 16709 of the Education Code, as amended by Chapter 1466 of the Statutes of 1976, is repealed.

SEC. 908. Section 16710 of the Education Code, as amended by Chapter 1466 of the Statutes of 1976, is repealed.

SEC. 909. Section 16711 of the Education Code, as amended by Chapter 1466 of the Statutes of 1976, is repealed.

SEC. 910. Section 16720 of the Education Code, as amended by Chapter 1466 of the Statutes of 1976, is repealed.

SEC. 911. Section 16721 of the Education Code, as amended by Chapter 1466 of the Statutes of 1976, is repealed.

SEC. 912. Section 16722.1 of the Education Code, as added by Chapter 1466 of the Statutes of 1976, is repealed.

SEC. 913. Section 16725 of the Education Code, as amended by Chapter 1466 of the Statutes of 1976, is repealed.

SEC. 914. Section 16726 of the Education Code, as amended by Chapter 1466 of the Statutes of 1976, is repealed.

SEC. 915. Section 16728 of the Education Code, as amended by Chapter 1466 of the Statutes of 1976, is repealed.

SEC. 916. Section 16730 of the Education Code, as amended by Chapter 1466 of the Statutes of 1976, is repealed.

SEC. 917. Section 16730.1 of the Education Code, as amended by Chapter 1466 of the Statutes of 1976, is repealed.

SEC. 918. Section 16732 of the Education Code, as amended by Chapter 1466 of the Statutes of 1976, is repealed.

SEC. 919. Section 16733 of the Education Code, as amended by Chapter 1466 of the Statutes of 1976, is repealed.

SEC. 920. Section 16735 of the Education Code, as amended by Chapter 344 of the Statutes of 1976, is repealed.

SEC. 921. Section 16740.5 of the Education Code, as amended by

Chapter 1466 of the Statutes of 1976, is repealed.

SEC. 922. Section 16746 of the Education Code, as amended by Chapter 1466 of the Statutes of 1976, is repealed.

SEC. 923. Section 16746.5 of the Education Code, as amended by Chapter 1466 of the Statutes of 1976, is repealed.

SEC. 924. Section 16750 of the Education Code, as amended by Chapter 1466 of the Statutes of 1976, is repealed.

SEC. 925. Section 16751 of the Education Code, as amended by Chapter 1466 of the Statutes of 1976, is repealed.

SEC. 926. Section 16752 of the Education Code, as added by Chapter 1466 of the Statutes of 1976, is repealed.

SEC. 927. The heading of Chapter 4 (commencing with Section 16760) of Division 12.5 of the Education Code, as amended by Chapter 1466 of the Statutes of 1976, is repealed.

SEC. 928. Section 16760 of the Education Code, as amended by Chapter 1466 of the Statutes of 1976, is repealed.

SEC. 929. Section 16761 of the Education Code, as amended by Chapter 1466 of the Statutes of 1976, is repealed.

SEC. 930. Section 16762 of the Education Code, as amended by Chapter 1466 of the Statutes of 1976, is repealed.

SEC. 931. Section 16763 of the Education Code, as amended by Chapter 1466 of the Statutes of 1976, is repealed.

SEC. 932. Section 16764 of the Education Code, as amended by Chapter 1466 of the Statutes of 1976, is repealed.

SEC. 933. Section 16765 of the Education Code, as amended by Chapter 1466 of the Statutes of 1976, is repealed.

SEC. 934. Section 16766 of the Education Code, as amended by Chapter 1466 of the Statutes of 1976, is repealed.

SEC. 935. Section 16767 of the Education Code, as amended by Chapter 1466 of the Statutes of 1976, is repealed.

SEC. 936. Section 16768 of the Education Code, as amended by Chapter 1466 of the Statutes of 1976, is repealed.

SEC. 937. Section 16769 of the Education Code, as amended by Chapter 1466 of the Statutes of 1976, is repealed.

SEC. 938. Section 16783 of the Education Code, as amended by Chapter 1466 of the Statutes of 1976, is repealed.

SEC. 939. Section 16794 of the Education Code, as amended by Chapter 1466 of the Statutes of 1976, is repealed.

SEC. 940. Section 16851 of the Education Code, as amended by Chapter 946 of the Statutes of 1976, is repealed.

SEC. 941. Section 17203 of the Education Code, as amended by Chapter 781 of the Statutes of 1976, is repealed.

SEC. 942. Section 17206 of the Education Code, as amended by Chapter 992 of the Statutes of 1976, is repealed.

SEC. 943. Section 17262 of the Education Code, as amended by Chapter 929 of the Statutes of 1976, is repealed.

SEC. 944. Section 17301 of the Education Code, as amended by Chapter 321 of the Statutes of 1976, is repealed.

SEC. 945. Section 17301.2 of the Education Code, as amended by

Chapter 323 of the Statutes of 1976, is repealed.

SEC. 946. Section 17301.9 of the Education Code, as added by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 947. Section 17301.12 of the Education Code, as amended by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 948. Section 17301.13 of the Education Code, as added by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 949. Section 17303.5 of the Education Code, as amended by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 950. Section 17303.6 of the Education Code, as amended by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 951. Section 17402 of the Education Code, as amended by Chapter 275 of the Statutes of 1976, is repealed.

SEC. 952. Section 17407 of the Education Code, as amended by Chapter 275 of the Statutes of 1976, is repealed.

SEC. 953. Section 17411.1 of the Education Code, as amended by Chapter 991 of the Statutes of 1976, is repealed.

SEC. 954. Section 17503 of the Education Code, as amended by Section 2 of Chapter 1025 of the Statutes of 1976, is repealed.

SEC. 955. Section 17601.1 of the Education Code, as amended by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 956. Section 17611 of the Education Code, as amended by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 957. Section 17651 of the Education Code, as amended by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 958. Section 17667 of the Education Code, as amended by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 959. Section 17668.6 of the Education Code, as amended by Chapter 991 of the Statutes of 1976, is repealed.

SEC. 960. Section 17668.8 of the Education Code, as added by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 961. Section 17669 of the Education Code, as amended by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 962. Section 17701.4 of the Education Code, as added by Chapter 176 of the Statutes of 1976, is repealed.

SEC. 963. Section 17702 of the Education Code, as amended by Chapter 991 of the Statutes of 1976, is repealed.

SEC. 964. Section 17702.2 of the Education Code, as amended by Chapter 176 of the Statutes of 1976, is repealed.

SEC. 965. Section 17946 of the Education Code, as added by Chapter 769 of the Statutes of 1976, is repealed.

SEC. 966. Section 17951 of the Education Code, as amended by Chapter 991 of the Statutes of 1976, is repealed.

SEC. 967. Section 17951.1 of the Education Code, as amended by Chapter 991 of the Statutes of 1976, is repealed.

SEC. 968. Section 17970 of the Education Code, as amended by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 969. Article 8.2 (commencing with Section 17971) of Chapter 3 of Division 14 of the Education Code, as added by Chapter 323 of

the Statutes of 1976, is repealed.

SEC. 970. Section 18055 of the Education Code, as amended by Chapter 176 of the Statutes of 1976, is repealed.

SEC. 971. Section 18056 of the Education Code, as amended by Chapter 176 of the Statutes of 1976, is repealed.

SEC. 972. Section 18057 of the Education Code, as amended by Chapter 176 of the Statutes of 1976, is repealed.

SEC. 973. Section 18060 of the Education Code, as amended by Chapter 321 of the Statutes of 1976, is repealed.

SEC. 974. Section 18102.6 of the Education Code, as amended by Chapter 321 of the Statutes of 1976, is repealed.

SEC. 975. Section 18102.9 of the Education Code, as amended by Chapter 32 of the Statutes of 1976, is repealed.

SEC. 976. Section 18151 of the Education Code, as added by Chapter 275 of the Statutes of 1976, is repealed.

SEC. 977. Section 18258 of the Education Code, as amended by Chapter 982 of the Statutes of 1976, is repealed.

SEC. 978. Section 19576 of the Education Code, as amended by Chapter 125 of the Statutes of 1976, is repealed.

SEC. 979. Section 19578 of the Education Code, as amended by Chapter 806 of the Statutes of 1976, is repealed.

SEC. 980. Section 19581 of the Education Code, as amended by Chapter 280 of the Statutes of 1976, is repealed.

SEC. 981. Section 19584.4 of the Education Code, as added by Chapter 125 of the Statutes of 1976, is repealed.

SEC. 982. Section 19589 of the Education Code, as amended by Chapter 125 of the Statutes of 1976, is repealed.

SEC. 983. Section 19590 of the Education Code, as amended by Chapter 125 of the Statutes of 1976, is repealed.

SEC. 984. Section 19594 of the Education Code, as amended by Chapter 806 of the Statutes of 1976, is repealed.

SEC. 985. Section 19601.5 of the Education Code, as added by Chapter 798 of the Statutes of 1976, is repealed.

SEC. 986. Section 19682.5 of the Education Code, as amended by Chapter 982 of the Statutes of 1976, is repealed.

SEC. 987. Section 19699.9 of the Education Code, as amended by Chapter 515 of the Statutes of 1976, is repealed.

SEC. 988. Section 19700.51 of the Education Code, as amended by Chapter 515 of the Statutes of 1976, is repealed.

SEC. 989. Section 19700.78 of the Education Code, as amended by Chapter 806 of the Statutes of 1976, is repealed.

SEC. 990. Section 19700.608 of the Education Code, as added by Chapter 515 of the Statutes of 1976, is repealed.

SEC. 991. Section 19700.695 of the Education Code, as added by Chapter 702 of the Statutes of 1976, is repealed.

SEC. 992. Section 20065 of the Education Code, as amended by Chapter 783 of the Statutes of 1976, is repealed.

SEC. 993. Section 20067 of the Education Code, as amended by Chapter 783 of the Statutes of 1976, is repealed.

SEC. 994. Section 20076 of the Education Code, as amended by Chapter 783 of the Statutes of 1976, is repealed.

SEC. 995. Section 20078 of the Education Code, as amended by Chapter 783 of the Statutes of 1976, is repealed.

SEC. 996. Section 20110 of the Education Code, as amended by Chapter 759 of the Statutes of 1976, is repealed.

SEC. 997. Section 20204 of the Education Code, as amended by Chapter 780 of the Statutes of 1976, is repealed.

SEC. 998. Section 20212 of the Education Code, as added by Chapter 809 of the Statutes of 1976, is repealed.

SEC. 999. Section 20213 of the Education Code, as added by Chapter 809 of the Statutes of 1976, is repealed.

SEC. 1000. Section 20450.5 of the Education Code, as added by Chapter 397 of the Statutes of 1976, is repealed.

SEC. 1001. Section 20452 of the Education Code, as amended by Chapter 831 of the Statutes of 1976, is repealed.

SEC. 1002. Section 20456.4 of the Education Code, as added by Chapter 243 of the Statutes of 1976, is repealed.

SEC. 1003. Section 20803 of the Education Code, as added by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 1004. Section 20905 of the Education Code, as amended by Chapter 176 of the Statutes of 1976, is repealed.

SEC. 1005. Section 20905.55 of the Education Code, as added by Chapter 991 of the Statutes of 1976, is repealed.

SEC. 1006. Section 20906 of the Education Code, as amended by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 1007. Section 20906.1 of the Education Code, as added by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 1008. Section 20906.2 of the Education Code, as added by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 1009. Section 20906.3 of the Education Code, as added by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 1010. Section 20906.4 of the Education Code, as added by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 1011. Section 20906.5 of the Education Code, as added by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 1012. Section 20906.5 of the Education Code, as added by Chapter 397 of the Statutes of 1976, is repealed.

SEC. 1013. Section 20907 of the Education Code, as amended by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 1014. Section 20935 of the Education Code, as amended by Chapter 991 of the Statutes of 1976, is repealed.

SEC. 1015. Section 20935.1 of the Education Code, as amended by Chapter 991 of the Statutes of 1976, is repealed.

SEC. 1016. Section 20935.2 of the Education Code, as added by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 1017. Section 20935.15 of the Education Code, as amended by Chapter 991 of the Statutes of 1976, is repealed.

SEC. 1018. Chapter 3.9 (commencing with Section 20940) of

Division 14 of the Education Code, as added by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 1019. Section 20954 of the Education Code, as amended by Chapter 493 of the Statutes of 1976, is repealed.

SEC. 1020. Section 21102 of the Education Code, as amended by Chapter 273 of the Statutes of 1976, is repealed.

SEC. 1021. Section 21104 of the Education Code, as amended by Chapter 273 of the Statutes of 1976, is repealed.

SEC. 1022. Section 21106 of the Education Code, as amended by Chapter 273 of the Statutes of 1976, is repealed.

SEC. 1023. Section 21107 of the Education Code, as amended by Chapter 273 of the Statutes of 1976, is repealed.

SEC. 1024. Section 21107.6 of the Education Code, as added by Chapter 273 of the Statutes of 1976, is repealed.

SEC. 1025. Section 21109 of the Education Code, as amended by Chapter 273 of the Statutes of 1976, is repealed.

SEC. 1026. Section 21113 of the Education Code, as amended by Chapter 273 of the Statutes of 1976, is repealed.

SEC. 1027. Section 21118 of the Education Code, as added by Chapter 86 of the Statutes of 1976, is repealed.

SEC. 1028. Section 21119 of the Education Code, as added by Chapter 273 of the Statutes of 1976, is repealed.

SEC. 1029. Section 21352 of the Education Code, as amended by Chapter 119 of the Statutes of 1976, is repealed.

SEC. 1030. Section 21702.2 of the Education Code, as amended by Chapter 798 of the Statutes of 1976, is repealed.

SEC. 1031. Chapter 1.2 (commencing with Section 22509) of Division 16.5 of the Education Code, as added by Chapter 1297 of the Statutes of 1976, is repealed.

SEC. 1032. Section 22601 of the Education Code, as amended by Section 2 of Chapter 1098 of the Statutes of 1976, is repealed.

SEC. 1033. Chapter 4.5 (commencing with Section 22670) of Division 16.5 of the Education Code, as added by Chapter 1079 of the Statutes of 1976, is repealed.

SEC. 1034. Section 22712.5 of the Education Code, as added by Chapter 600 of the Statutes of 1976, is repealed.

SEC. 1035. Section 22712.6 of the Education Code, as added by Chapter 600 of the Statutes of 1976, is repealed.

SEC. 1036. Section 22712.7 of the Education Code, as added by Chapter 600 of the Statutes of 1976, is repealed.

SEC. 1037. Section 22809 of the Education Code, as amended by Chapter 1171 of the Statutes of 1976, is repealed.

SEC. 1038. Section 22855.5 of the Education Code, as added by Chapter 980 of the Statutes of 1976, is repealed.

SEC. 1039. Section 22856.5 of the Education Code, as added by Chapter 980 of the Statutes of 1976, is repealed.

SEC. 1040. Section 22859.6 of the Education Code, as added by Chapter 755 of the Statutes of 1976, is repealed.

SEC. 1041. Section 23583.22 of the Education Code, as amended by

Chapter 349 of the Statutes of 1976, is repealed.

SEC. 1042. Section 23604.5 of the Education Code, as amended by Chapter 979 of the Statutes of 1976, is repealed.

SEC. 1043. Section 23802 of the Education Code, as amended by Chapter 377 of the Statutes of 1976, is repealed.

SEC. 1044. Section 23805 of the Education Code, as amended by Chapter 349 of the Statutes of 1976, is repealed.

SEC. 1045. Section 24054 of the Education Code, as amended by Chapter 1419 of the Statutes of 1976, is repealed.

SEC. 1046. Section 24055 of the Education Code, as amended by Chapter 200 of the Statutes of 1976, is repealed.

SEC. 1047. Section 24204 of the Education Code, as amended by Chapter 534 of the Statutes of 1976, is repealed.

SEC. 1048. Section 24217 of the Education Code, as added by Chapter 479 of the Statutes of 1976, is repealed.

SEC. 1049. Section 24317 of the Education Code, as added by Chapter 1299 of the Statutes of 1976, is repealed.

SEC. 1050. Article 3 (commencing with Section 24320) of Chapter 9 of Division 18 of the Education Code, as added by Chapter 1213 of the Statutes of 1976, is repealed.

SEC. 1051. Section 25393 of the Education Code, as amended by Chapter 1139 of the Statutes of 1976, is repealed.

SEC. 1052. Section 25411.5 of the Education Code, as amended by Chapter 288 of the Statutes of 1976, is repealed.

SEC. 1053. Section 25411.7 of the Education Code, as added by Chapter 522 of the Statutes of 1976, is repealed.

SEC. 1054. Section 25424.3 of the Education Code, as added by Chapter 715 of the Statutes of 1976, is repealed.

SEC. 1055. Section 25425 of the Education Code, as amended by Chapter 163 of the Statutes of 1976, is repealed.

SEC. 1056. Section 25430.1 of the Education Code, as amended by Chapter 1297 of the Statutes of 1976, is repealed.

SEC. 1057. Section 25430.3 of the Education Code, as amended by Chapter 1297 of the Statutes of 1976, is repealed.

SEC. 1058. Section 25430.4 of the Education Code, as added by Chapter 1297 of the Statutes of 1976, is repealed.

SEC. 1059. Section 25430.5 of the Education Code, as amended by Chapter 1297 of the Statutes of 1976, is repealed.

SEC. 1060. Section 25430.7 of the Education Code, as added by Chapter 1297 of the Statutes of 1976, is repealed.

SEC. 1061. Section 25430.8 of the Education Code, as amended by Chapter 1297 of the Statutes of 1976, is repealed.

SEC. 1062. Section 25430.9 of the Education Code, as amended by Chapter 1297 of the Statutes of 1976, is repealed.

SEC. 1063. Section 25430.10 of the Education Code, as amended by Chapter 1297 of the Statutes of 1976, is repealed.

SEC. 1064. Section 25430.12 of the Education Code, as amended by Chapter 1297 of the Statutes of 1976, is repealed.

SEC. 1065. Section 25430.14 of the Education Code, as amended by

Chapter 1297 of the Statutes of 1976, is repealed.

SEC. 1066. Section 25430.15 of the Education Code, as amended by Chapter 1297 of the Statutes of 1976, is repealed.

SEC. 1067. Section 25430.16 of the Education Code, as amended by Chapter 1297 of the Statutes of 1976, is repealed.

SEC. 1068. Section 25457.5 of the Education Code, as added by Chapter 505 of the Statutes of 1976, is repealed.

SEC. 1069. Section 25502.1 of the Education Code, as added by Chapter 275 of the Statutes of 1976, is repealed.

SEC. 1070. Section 25505.4 of the Education Code, as amended by Chapter 867 of the Statutes of 1976, is repealed.

SEC. 1071. Section 25505.8 of the Education Code, as amended by Chapter 990 of the Statutes of 1976, is repealed.

SEC. 1072. Section 25505.20 of the Education Code, as amended by Chapter 1252 of the Statutes of 1976, is repealed.

SEC. 1073. Section 25506.5 of the Education Code, as added by Chapter 275 of the Statutes of 1976, is repealed.

SEC. 1074. Section 25515.3 of the Education Code, as added by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 1075. Section 25515.7 of the Education Code, as added by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 1076. Section 27803 of the Education Code, as amended by Chapter 151 of the Statutes of 1976, is repealed.

SEC. 1077. Section 27804 of the Education Code, as amended by Chapter 151 of the Statutes of 1976, is repealed.

SEC. 1078. Section 27805 of the Education Code, as amended by Chapter 151 of the Statutes of 1976, is repealed.

SEC. 1079. The heading of Article 4 (commencing with Section 27901) of Chapter 5 of Division 20 of the Education Code, as amended by Chapter 151 of the Statutes of 1976, is repealed.

SEC. 1080. Section 27901 of the Education Code, as amended by Chapter 151 of the Statutes of 1976, is repealed.

SEC. 1081. Section 27902 of the Education Code, as amended by Chapter 151 of the Statutes of 1976, is repealed.

SEC. 1082. Section 27902.1 of the Education Code, as amended by Chapter 151 of the Statutes of 1976, is repealed.

SEC. 1083. Section 27903 of the Education Code, as added by Chapter 151 of the Statutes of 1976, is repealed.

SEC. 1084. Section 27952 of the Education Code, as amended by Chapter 151 of the Statutes of 1976, is repealed.

SEC. 1085. Section 27953 of the Education Code, as amended by Chapter 151 of the Statutes of 1976, is repealed.

SEC. 1086. Section 28204 of the Education Code, as amended by Chapter 175 of the Statutes of 1976, is repealed.

SEC. 1087. Section 28455.1 of the Education Code, as added by Chapter 422 of the Statutes of 1976, is repealed.

SEC. 1088. Section 28455.2 of the Education Code, as added by Chapter 422 of the Statutes of 1976, is repealed.

SEC. 1089. Section 28456 of the Education Code, as amended by

Chapter 422 of the Statutes of 1976, is repealed.

SEC. 1090. Article 11.5 (commencing with Section 28520) of Chapter 6 of Division 20 of the Education Code, as added by Chapter 422 of the Statutes of 1976, is repealed.

SEC. 1091. Section 29042 of the Education Code, as amended by Chapter 1139 of the Statutes of 1976, is repealed.

SEC. 1092. Chapter 1.5 (commencing with Section 29090) of Division 21 of the Education Code, as added by Chapter 1031 of the Statutes of 1976, is repealed.

SEC. 1093. Section 30303 of the Education Code, as amended by Chapter 1048 of the Statutes of 1976, is repealed.

SEC. 1094. Section 30313 of the Education Code, as amended by Chapter 1048 of the Statutes of 1976, is repealed.

SEC. 1095. Section 30320 of the Education Code, as amended by Chapter 1048 of the Statutes of 1976, is repealed.

SEC. 1096. Section 30321.5 of the Education Code, as amended by Chapter 1048 of the Statutes of 1976, is repealed.

SEC. 1097. Section 30328 of the Education Code, as amended by Chapter 1048 of the Statutes of 1976, is repealed.

SEC. 1098. Section 30329 of the Education Code, as amended by Chapter 1048 of the Statutes of 1976, is repealed.

SEC. 1099. Section 31026 of the Education Code, as amended by Chapter 677 of the Statutes of 1976, is repealed.

SEC. 1100. Section 31058 of the Education Code, as amended by Chapter 1171 of the Statutes of 1976, is repealed.

SEC. 1101. Section 31059 of the Education Code, as amended by Chapter 1171 of the Statutes of 1976, is repealed.

SEC. 1102. Section 31061 of the Education Code, as amended by Chapter 1171 of the Statutes of 1976, is repealed.

SEC. 1103. Section 31062 of the Education Code, as amended by Chapter 1171 of the Statutes of 1976, is repealed.

SEC. 1104. Section 31063 of the Education Code, as amended by Chapter 1171 of the Statutes of 1976, is repealed.

SEC. 1105. Section 31151 of the Education Code, as amended by Chapter 1171 of the Statutes of 1976, is repealed.

SEC. 1106. Section 31154 of the Education Code, as amended by Chapter 1171 of the Statutes of 1976, is repealed.

SEC. 1107. Section 31160 of the Education Code, as amended by Chapter 1171 of the Statutes of 1976, is repealed.

SEC. 1108. Section 31163 of the Education Code, as amended by Chapter 1171 of the Statutes of 1976, is repealed.

SEC. 1109. Section 31913 of the Education Code, as amended by Chapter 693 of the Statutes of 1976, is repealed.

SEC. 1110. Section 31913.5 of the Education Code, as amended by Chapter 693 of the Statutes of 1976, is repealed.

SEC. 1111. Article 1 (commencing with Section 40100) of Chapter 1 of Division 25 of the Education Code, as added by Chapter 987 of the Statutes of 1976, is repealed.

SEC. 1112. Section 40201 of the Education Code, as amended by

Chapter 343 of the Statutes of 1976, is repealed.

SEC. 1113. Section 40402 of the Education Code, as amended by Chapter 983 of the Statutes of 1976, is repealed.

SEC. 1114. Section 40405 of the Education Code, as amended by Chapter 343 of the Statutes of 1976, is repealed.

SEC. 1115. Section 40406 of the Education Code, as amended by Chapter 343 of the Statutes of 1976, is repealed.

SEC. 1116. Section 40406.5 of the Education Code, as added by Chapter 343 of the Statutes of 1976, is repealed.

SEC. 1117. Section 41006 of the Education Code, as amended by Chapter 343 of the Statutes of 1976, is repealed.

SEC. 1118. Section 41007 of the Education Code, as amended by Chapter 343 of the Statutes of 1976, is repealed.

SEC. 1119. Section 41201.1 of the Education Code, as amended by Chapter 343 of the Statutes of 1976, is repealed.

SEC. 1120. Section 41202 of the Education Code, as amended by Chapter 343 of the Statutes of 1976, is repealed.

SEC. 1121. Section 41203 of the Education Code, as amended by Chapter 343 of the Statutes of 1976, is repealed.

SEC. 1122. Section 41402 of the Education Code, as amended by Chapter 343 of the Statutes of 1976, is repealed.

SEC. 1123. Section 41403.1 of the Education Code, as amended by Chapter 983 of the Statutes of 1976, is repealed.

SEC. 1124. Section 41404 of the Education Code, as amended by Chapter 343 of the Statutes of 1976, is repealed.

SEC. 1125. Section 41801 of the Education Code, as amended by Chapter 938 of the Statutes of 1976, is repealed.

SEC. 1126. Section 41803 of the Education Code, as amended by Chapter 938 of the Statutes of 1976, is repealed.

SEC. 1127. Section 42200 of the Education Code, as amended by Chapter 343 of the Statutes of 1976, is repealed.

SEC. 1128. Section 42401 of the Education Code, as amended by Chapter 343 of the Statutes of 1976, is repealed.

SEC. 1129. Section 43003 of the Education Code, as amended by Chapter 343 of the Statutes of 1976, is repealed.

SEC. 1130. Section 43203 of the Education Code, as amended by Chapter 343 of the Statutes of 1976, is repealed.

SEC. 1131. Section 45000 of the Education Code, as amended by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 1132. Section 45022 of the Education Code, as added by Chapter 323 of the Statutes of 1976, is repealed.

SEC. 1133. Sections 1.5 to 160, 161 to 236, 239 to 339, 342 to 379, 381 to 387, and 388.6 to 1132 of this act, all inclusive, shall become operative on April 30, 1977.

SEC. 1134. There are no state-mandated local costs in this act which require reimbursement under Section 2231 of the Revenue and Taxation Code because this act makes only technical changes to existing law.

SEC. 1135. It is the intent of the Legislature in enacting this act to

incorporate the changes made in the Education Code, in 1976, into the Education Code as enacted by Chapter 1010 of the Statutes of 1976. It is not the intent of the Legislature to make any substantive change in the law.

SEC. 1136. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

The new reorganized Education Code, enacted by Chapter 1010 of the Statutes of 1976, will become operative on April 30, 1977, which is long before the effective date of ordinary statutes enacted in 1977 in the 1977–78 Regular Session of the Legislature. Other 1976 education legislation was directed to the Education Code as enacted by Chapter 2 of the Statutes of 1959. This bill would adapt such other education legislation enacted in 1976 to the reorganized Education Code as enacted by Chapter 1010 of the Statutes of 1976. In order that statutory continuity may be maintained and that administrative confusion may be avoided, such adaptation must become operative on the operative date of the new Education Code. It is, therefore, necessary that this act take effect immediately as an urgency statute.

CHAPTER 37

An act to amend Sections 4210, 8512, 23401, 45207, 78031, 84526, 85132, 85236, and 94110 of, to amend and renumber Section 22141.5 of, and to repeal Section 22141 of, the Education Code, as proposed by the 1977 Education Code Supplemental Act, and to add Section 1135.5 to the 1977 Education Code Supplemental Act, and to amend Section 14022 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976, relating to education, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 29, 1977. Filed with Secretary of State April 29, 1977.]

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

SECTION 1. Section 4210 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

4210. (a) An elementary school which has been included in a unified district because of a reorganization of districts under provisions of this chapter or, under the provisions of Article 2 (commencing with Section 35510) of Chapter 3 of Part 21 of Division 3 of Title 2 or Article 4 (commencing with Section 74160) of Chapter 2 of Part 46 of Division 7 of Title 3 relating to formation of new school districts by petition shall be maintained as an elementary school by the unified district unless discontinued as provided in this section. The governing board of the unified district may adopt a resolution

or order to discontinue the elementary school at any regular or special meeting of the board and the order or resolution shall be in effect after 30 days unless within this period of time a petition is filed with the governing board requesting the continuance of the school signed by the parents or guardians of at least 10 or one-third, whichever number is the greater, of children of elementary school age, who are eligible to attend such school at the time of the petition. The signature of one parent is sufficient to represent all of the children of such parent. The parents or guardians eligible to sign such petitions shall be residents within the boundaries of the component elementary school district which maintained the school prior to the establishment of the unified school district, and shall be qualified electors within such district at the time the petition is filed, and shall have children of elementary school age who attend or are eligible to attend such school. An elementary school which is continued in operation by the filing of a petition pursuant to this section, shall remain in continuance for a period of three school years, unless the petition provides for a shorter period of continuance. If the governing board intends to discontinue the elementary school at the expiration of such period, it shall, commencing at least 90 days prior to the expiration of such period, publish in a newspaper of general circulation in the county, once each week for at least three weeks, a notice of intended discontinuance, and may thereafter adopt a resolution or order as heretofore provided. If a school is discontinued as herein provided, the governing board of the unified school district may maintain the building for community and civic center and other lawful purposes.

(b) Subdivision (a) of this section does not apply to any unified school district which has an average daily attendance of 15,000 or more or to a school which is five miles or less from another elementary school.

SEC. 2. Section 8512 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

8512. Effective July 1, 1977, (a) for noncredit classes or programs offered in community colleges pursuant to this chapter, average daily attendance for state apportionment purposes shall only be calculated for such classes or programs which by mutual agreement are the responsibility of the community colleges pursuant to Sections 8530 and 8531; and (b) for noncredit classes or programs offered in the community colleges and for classes for adults offered in high schools or adult schools pursuant to this chapter, average daily attendance for state apportionment purposes shall only be calculated for such classes or programs which by mutual agreement are the responsibility of the community colleges or of the high school or unified school districts pursuant to Sections 8532 and 8533.

SEC. 3. Section 14022 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976 is amended to read:

14022. The State Controller shall during each fiscal year, commencing with the 1974–75 fiscal year, transfer from the General

Fund to Section B of the State School Fund such amount, in addition to all other amounts appropriated and transferred to Section B of the State School Fund, as shall provide in Section B of the State School Fund for apportionment during the fiscal year a total amount per pupil in average daily attendance during the preceding fiscal year credited to all community college districts in the state as certified by the Chancellor of the California Community Colleges of fourteen dollars and fifty-six cents ($14.56) in the 1974–75 fiscal year and an additional two dollars and eighty cents ($2.80) in each fiscal year thereafter to a maximum of twenty-five dollars and seventy-six cents ($25.76).

The amounts transferred pursuant to this section shall be apportioned and disbursed by the Chancellor of the California Community Colleges as an increase per unit of average daily attendance in the foundation programs prescribed in Section 84726.

SEC. 4. Section 22141 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is repealed.

SEC. 5. Section 22141.5 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended and renumbered to read:

22141. "Projected salary" means a 2-percent increase compounded annually applied to the salary used in computing the disability or family allowance. When computing a family allowance under paragraphs (3) and (4) of subdivision (e) of Section 23804, and Section 23911, projected salary shall be computed from July 1st of the year of death or disability to the June 30th prior to age 60. If death occurred when the member was receiving a disability allowance, projected salary shall be computed from the first day of July of the year in which the disability allowance was effective to the June 30th prior to age 60. When computing a family allowance under paragraphs (1) and (2) of subdivision (e) of Section 23804, when death occurs while the member was on disability, projected salary shall be computed from July 1st of the year of disability to the June 30th prior to death.

SEC. 6. Section 23401 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

23401. District taxes may be levied and collected annually pursuant to this section by the respective districts at the same time and in the same manner as other district taxes are levied and collected. The tax shall be in addition to any other district tax now or hereafter authorized by law, and shall not be considered in fixing maximum rates of taxes for school district or community college district purposes.

Such tax is for the purpose of providing funds to make contributions to the Teachers' Retirement Fund required of school districts and community college districts under Section 23400 and to local retirement systems, and the rate shall be such as necessary to raise the amount of difference between the estimated amount of contribution needed and the estimated amount of foundation

support provided by Sections 41716, 84725, and 84726.

The tax rate provided by this section shall not exceed ten cents ($0.10) per each one hundred dollars ($100) of the assessed value of property in an elementary school district or five cents ($0.05) per each one hundred dollars ($100) of the assessed value of property within a high school district or community college district.

In a unified school district the tax rate provided by this section shall not exceed fifteen cents ($0.15) per each one hundred dollars ($100) of the assessed value of property within the district.

If at the end of any school year there remains an unencumbered balance derived from the revenue of the increase in tax rate provided by this section, such balance shall be used exclusively in the following school year for the expenditures of the school district or community college district during that year required by Section 23400.

SEC. 7. Section 45207 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

45207. Any days of absence for illness or injury earned pursuant to Section 45191, may be used by the probationary or permanent employee, at his election, in cases of personal necessity, including any of the following:

(a) Death of a member of his immediate family when additional leave is required beyond that provided in Section 45194 and that provided, in addition thereto, as a right by the governing board.

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

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

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

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

Immediate family has the same meaning as provided in Section 45194.

This section shall apply to districts that have adopted the merit system in the same manner and effect as if it were a part of Article 6 (commencing with Section 45240) of this chapter.

This section shall also apply to school districts that may be exempted from the provisions of Section 45191. Authorized necessity leave shall be deducted from sick leave earned under the provisions of the exemption of Section 45191.

SEC. 8. Section 78031 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

78031. (a) An interdistrict attendance agreement may be entered into between two districts specifying the terms and conditions under

which district residents of one district may attend a community college in the other district. The agreement may be for any period agreed upon but for not less than one year.

(b) Tuition charges shall be not less than the apportionments provided by the state to the district of attendance because of attendance of students under the agreement nor shall such charges be more than would be computed as specified in subdivision (a) of Section 2100.

(c) A charge for use of buildings and equipment in the amount of three hundred dollars ($300) for 1976–77, two hundred dollars ($200) for 1977–78, and one hundred dollars ($100) for 1978–79 may be added to the amount computed pursuant to subdivision (a) of Section 2100. No charge may be made after 1978–79.

(d) If either district is within the first three years of its existence and has not acquired facilities from a preceding district, the charge for use of buildings and equipment specified in subdivision (c) shall not be charged to either district.

Interdistrict agreements calling for the payment of charges for the use of buildings and equipment which were in effect prior to July 1, 1976, may remain in effect, and may be renegotiated.

SEC. 9. Section 84526 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

84526. The attendance of all students not residents of a community college district enrolled in courses during the academic year shall be kept separately from all other attendance and the units of average daily attendance for such students shall be computed on an individual basis in the applicable manner prescribed in Section 84520 or 84524.5.

The units of average daily attendance of students who are not residents of the community college district enrolled in summer schools and classes for adults shall be kept separately from all other attendance and be computed on an individual basis in the applicable manner prescribed in Section 84520 or 84524.5.

SEC. 10. Section 85132 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

85132. (a) For fiscal year 1976–77, the maximum general purpose tax rate shall be computed pursuant to this section by the county superintendent of schools for each community college district in the county. This maximum general purpose tax rate shall be exclusive of taxes provided in former Section 1905, 14111, 15517, 15518, 16750, 20755, 20801, 22101, or 25541.5 of the Education Code and Section 5302.5 of the Streets and Highways Code. The maximum general purpose tax rate which may be levied by, or on behalf of, a community college district in the 1976–77 fiscal year, shall be the general purpose tax rate a community college district was authorized to levy in the 1975–76 fiscal year pursuant to former Section 20935, exclusive of the tax provided pursuant to former Section 14111 and adjustments for under- or over-estimating average daily attendance in the 1974–75 fiscal year pursuant to former Section 20936.5 plus or

minus adjustments for under- or over-estimating average daily attendance in the 1975–76 fiscal year pursuant to former Section 20936.5, or a tax rate computed in accordance with the following procedure:

(1) Determine the 1975–76 fiscal year general purpose tax rate levied by the district pursuant to former Section 20935 and former Section 20936.5.

(2) Add to paragraph (1) the property tax rate on the secured roll which would produce an amount of property tax revenue equal to the following:

(A) The amount of the property tax revenue which would be received by such district in the current fiscal year by levying its 1975–76 fiscal year general purpose tax rate against the district's total assessed value for the current year, subtracted from;

(B) The amount of property tax revenue which would be received by such district in the current fiscal year if its property tax revenue from the prior year were to change by a percentage equal to the following: the percentage change in the adult population of the district (as determined pursuant to Section 2228.1 of the Revenue and Taxation Code) plus the percentage equal to the prior years' percentage change in "Government Purchases of Goods and Services, State and Local" as determined by the Department of Finance.

(b) As used in this section, "property tax revenue from the prior year" means the revenue which would have been received by a district in the prior fiscal year by levying the 1975–76 fiscal year general purpose property tax rate authorized by former Section 20935 against the total assessed value for such year.

(c) As used in this section, "total assessed value" means all assessed value subject to ad valorem property taxation by a district plus assessed value attributable to the homeowners' property tax exemption and to the business inventory property tax exemption.

SEC. 11. Section 85236 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

85236. The county superintendent of schools may examine each order on community college district funds transmitted to him, in the order in which it is received in his office. If it appears that the order is properly drawn for the payment of legally authorized expenses against the proper funds of the district, and that there are sufficient moneys in the fund or funds against which the order is drawn to pay it, he shall endorse upon it "examined and approved," and shall, in attestation thereof, affix his signature and number and date the requisition and transmit it directly to the county auditor, in the order in which the order is received in his office. The county superintendent may prescribe alternative methods for districts determined to be fiscally accountable pursuant to Section 85266.

SEC. 12. Section 94110 of the Education Code, as proposed by the 1977 Education Code Supplemental Act is amended to read:

94110. As used in this chapter, the following words and terms shall

have the following meanings, unless the context indicates or requires another or different meaning or intent:

"Authority" means the California Educational Facilities Authority created by this chapter or any board, body, commission, department or officer succeeding to the principal functions thereof or to whom the power conferred upon the authority by this chapter shall be given by law;

"Bond" means bonds, notes, debentures, or other securities of the authority issued pursuant to this chapter;

"Dormitory" means a housing unit with necessary and usual attendant and related facilities and equipment;

"Educational facility" means a structure suitable for use as a dormitory, dining hall, student union, administration building, academic building, library, laboratory, research facility, classroom, health care facility (including for an institution of higher education which maintains and operates a school of medicine, structures or facilities providing or designed to provide services as a hospital or clinic, whether such hospital or clinic is operated directly by the institution of higher education or by a separate nonprofit corporation, the member or members of which consist of the educational institution or the members of its governing body), and parking, maintenance, storage or utility facility and other structures or facilities related thereto or required or useful for the instruction of students or the conducting of research or the operation of an institution for higher education, and the necessary and usual attendant and related facilities and equipment, but shall not include any facility used or to be used for sectarian instruction or as a place for religious worship or any facility used or to be used primarily in connection with any part of the program of a school or department of divinity;

"Participating college" means a private college which neither restricts entry on racial or religious grounds nor requires all students gaining admission to receive instruction in the tenets of a particular faith, and which, pursuant to the provisions of this chapter, participates with the authority in undertaking the financing and construction or acquisition of a project;

"Project" means a dormitory or an educational facility or any combination thereof;

"Private college" means an institution for higher education other than a public college, situated within the state and which, by virtue of law or charter, is a nonprofit educational institution empowered to provide a program of education beyond the high school level;

"Cost," as applied to a project or portion thereof financed under the provisions of this chapter, embraces all or any part of the cost of construction and acquisition of all lands, structures, real or personal property, rights, rights-of-way, franchises, easements and interests acquired or used for a project, the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which such buildings or structures may be

moved, the cost of all machinery and equipment, financing charges, interest prior to, during and for a period after completion of such construction as determined by the authority, provisions for working capital, reserves for principal and interest and for extensions, enlargements, additions, replacements, renovations and improvements, the cost of engineering, financial and legal services, plans, specifications, studies, surveys, estimates, administrative expenses and other expenses necessary or incident to determining the feasibility of constructing any project or incident to the construction or acquisition or financing thereof.

SEC. 13. Section 1135.5 is added to the 1977 Education Code Supplemental Act, to read:

Sec. 1135.5. Any section of any act which is enacted at the 1977–78 Regular Session of the Legislature and which affects any section of the Education Code which is affected by this act, and which is chaptered either before or after this act, shall prevail over this act.

SEC. 14. Any section of any act, except the 1977 Education Code Supplemental Act, which is enacted at the 1977–78 Regular Session of the Legislature and which affects any section of the Education Code which is affected by this act, and which is chaptered either before or after this act, shall prevail over this act.

SEC. 15. This act shall become operative on April 30, 1977.

SEC. 16. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

The 1977 Education Code Supplemental Act adapts legislation that affected the Education Code and was enacted in 1976 to the newly reorganized Education Code enacted by Chapter 1010 of the Statutes of 1976. Both Chapter 1010 of the Statutes of 1976 and the 1977 Education Code Supplemental Act become operative on April 30, 1977. In order that this act, which makes further technical revisions to the newly reorganized Education Code, may also become operative on that date, and so facilitate the orderly administration of the educational system of this state, it is necessary that this act take effect immediately.

CHAPTER 38

An act to amend Section 35110 of the Vehicle Code, relating to vehicles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 5, 1977. Filed with Secretary of State May 6, 1977]

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

SECTION 1. Section 35110 of the Vehicle Code is amended to read:

35110. Door handles, hinges, cable cinchers, chain binders, and holders for the display of placards warning of hazardous materials may extend two inches on each side, except that the maximum width of body and door handles, hinges, cable cinchers, chain binders, or placard holders shall not exceed 100 inches.

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

Inasmuch as federal regulations relating to the display of placards on vehicles that warn of the transportation of hazardous materials therein, which are published as Subpart F (commencing with Section 172.500) of Part 172 of Title 49 of the Code of Federal Regulations (41 F.R. 42426-42433), will become operative July 1, 1977, it is necessary that this act, which authorizes the use of holders for such placards, take effect immediately.

CHAPTER 39

An act to amend Section 1657 of the Probate Code, relating to accounting by guardians.

[Approved by Governor May 5, 1977 Filed with Secretary of State May 6, 1977.]

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

SECTION 1. Section 1657 of the Probate Code is amended to read:

1657. (a) Every guardian who has received or shall receive on account of his ward any moneys or other thing of value from the Veterans Administration shall file with the court annually, or at such other intervals as are directed by the court, in addition to such other accounts as may be required by the court, a full, true, and accurate account under oath of all moneys or other things of value so received by him, all earnings, interest or profits derived therefrom and all property acquired therewith and of all disbursements therefrom, and showing the balance thereof in his hands at the date of the account and how invested.

(b) At the time of filing in the court any account, a true copy thereof shall be sent by the guardian to the office of the Veterans Administration having jurisdiction over the area in which the court is located. The clerk shall fix a time and place for the hearing on the account, not less than 15 days nor more than 30 days from the date same is filed, unless a different available date be stipulated in writing. Written notice of the time and place of hearing shall be given the Veterans Administration office concerned and the guardian and any others entitled to notice not less than 15 days prior to the date fixed

for the hearing. The notice may be given by mail in which event it shall be deposited in the mails not less than 15 days prior to said date.

(c) If the guardian is accountable for property derived from sources other than the Veterans Administration, he shall be accountable as is or may be required under the applicable law of this state pertaining to the property of minors or persons of unsound mind who are not beneficiaries of the Veterans Administration, and as to such other property shall be entitled to the compensation provided by such law. The account for other property may be combined with the account filed in accordance with this section.

CHAPTER 40

An act to amend Section 4047.5 of the Business and Professions Code, relating to pharmacy.

[Approved by Governor May 5, 1977. Filed with Secretary of State May 6, 1977.]

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

SECTION 1. Section 4047.5 of the Business and Professions Code is amended to read:

4047.5. A pharmacist shall not dispense any prescription except in a container correctly labeled with the following:

(a) Except where the prescriber orders otherwise, either the manufacturers trade name of the drug or the generic name and the name of the manufacturer. Commonly used abbreviations may be used. Preparations containing two or more active ingredients may be identified by the manufacturers trade name or the commonly used name or the principal active ingredients.

(b) The directions for the use of the drug.

(c) The name of the patient.

(d) The name of the prescriber.

(e) The date of issue.

(f) The name and address and prescription number of the furnisher.

(g) The strength of the drug or drugs prescribed.

(h) The quantity of the drug or drugs prescribed.

CHAPTER 41

An act to amend Section 35332 of the Education Code, relating to school field trips and excursions, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 5, 1977. Filed with Secretary of State May 6, 1977.]

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

SECTION 1. Section 35332 of the Education Code is amended to read:

35332. No transportation by air may be provided under this article unless the transportation by air is provided by any of the following: (a) aircraft owned and operated by the state or federal government; (b) chartered or regularly scheduled aircraft operated exclusively by an air carrier or foreign air carrier as defined in subdivisions (3) and (19) of Section 101 of Title 1 of the "Federal Aviation Act of 1958" (Public Law 85-726; 72 Stat. 731) engaged in air transportation as defined in subdivision (10) of the same section while there is in force a certificate or permit issued by the Civil Aeronautics Board of the United States, or its successor, authorizing such air carrier to engage in such transportation; or (c) chartered or regularly scheduled aircraft of a passenger air carrier as defined pursuant to Section 2741 of the Public Utilities Code that is authorized to engage in transportation by air in the State of California by the Public Utilities Commission pursuant to Chapter 4 (commencing with Section 2739) of Part 2 of Division 1 of the Public Utilities Code.

SEC. 2. It is the intent of the Legislature that any changes in authorized air transportation for school field trips and excursions made by this act shall be given retroactive effect to validate for attendance crediting purposes all field trips and excursions made prior to the effective date of this act utilizing air transportation as authorized by this act.

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

In order to clarify the law at the earliest possible time and permit school districts to conduct field trips and excursions in California in commercial aircraft over the Easter Holiday other than by chartered aircraft only, it is essential that this act take immediate effect.

CHAPTER 42

An act to amend Sections 682a and 683 of the Code of Civil Procedure, relating to levy and execution.

[Approved by Governor May 9, 1977. Filed with Secretary of State May 9, 1977.]

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

SECTION 1. Section 682a of the Code of Civil Procedure is amended to read:

682a. If the debt, credit, or other personal property sought to be levied upon is (a) any bank account, or interest therein, not standing in the name of the judgment debtor or judgment debtors or standing in the name of such judgment debtor or judgment debtors and one or more other persons who are not judgment debtors, or (b) any savings and loan association share, investment certificate, or account, or interest therein, not standing in the name of the judgment debtor or judgment debtors or standing in the name of such judgment debtor or judgment debtors and in one or more other persons who are not judgment debtors, or (c) property in a safe-deposit vault or box maintained by a bank, trust company, savings and loan association, or other corporation authorized and empowered to conduct a safe-deposit business and rented by it to a person or persons other than such judgment debtor or judgment debtors or rented by it to one or more such judgment debtors and to one or more other persons who are not judgment debtors, the following provisions of this section also shall be complied with; otherwise the levy shall not be effectual for any purpose and shall be disregarded. The plaintiff shall provide and concurrently with the levy the sheriff, constable, or marshall shall deliver to such bank, trust company, savings and loan association, or safe-deposit corporation a bond in an amount not less than twice the amount of the judgment or twice the amount sought to be reached by such levy, if less than the amount of the judgment, indemnifying the person or persons, other than the judgment debtor or judgment debtors whose interest is sought to be levied upon, rightfully entitled to such debt, credit, or other personal property (which person or persons need not be named specifically in said bond but may be referred to generally in the same manner as in this sentence), against actual damage by reason of the taking of such debt, credit, or other personal property and assuring to such person or persons the return thereof to him or them upon proof of his or their right thereto. Upon delivery to it of the aforesaid bond such bank, trust company, savings and loan association, or safe-deposit corporation shall immediately notify the person in whose name such account stands, other than the judgment debtor, or the person to whom such safe-deposit box is rented, other than the judgment debtor, by registered mail addressed to the last address of such person known to such bank, trust company, savings and loan association or safe-deposit corporation of the fact of the service of said writ and of the delivery to it of said bond. From the time of said levy and the delivery to it of said bond such bank, trust company, savings and loan association or safe-deposit corporation shall not honor a check or other order for the payment of money drawn against the account or other credit so levied upon, such savings and loan association shall not permit withdrawals in respect of the share, investment certificate, or account so levied upon, and such bank, trust company, savings and loan association or safe-deposit

corporation shall not permit the removal of any of the contents of the safe-deposit vault or box levied upon for a period of fifteen (15) days from the mailing of said notice or until the levy is sooner released. After fifteen (15) days from the making of said levy and the delivery of said bond, if no proceedings excepting to the sufficiency of the sureties have been commenced, or if such proceedings have been commenced, when the sureties have justified, said bank, trust company, savings and loan association or safe-deposit corporation shall comply with the levy, unless it has been sooner released, and shall not be liable to any person by reason of such compliance or by reason of the nonpayment of any check or other order for the payment of money drawn against the account or other credit so levied upon and presented while the levy is in force or by reason, while the levy is in force, of refusal to pay any withdrawal in respect of the share, investment certificate or account so levied upon, or by reason of the removal, pursuant to the levy, of any of the contents of such safe-deposit vault or box or by reason of the refusal of such bank, trust company, savings and loan association, or safe-deposit corporation to permit access to such safe-deposit vault or box by the renter thereof. The bond described above shall be executed by the judgment creditor or judgment creditors with two or more sufficient sureties. Exceptions to the sufficiency of the sureties may be taken by any person claiming to be the rightful owner of the debt, credit, or other personal property levied upon, in the same manner as upon an undertaking on attachment and when excepted to the sureties must justify in the same manner as upon an undertaking on attachment. The bank, trust company, savings and loan association, or safe-deposit corporation to whom any such bond is delivered shall deliver it as directed by the obligees thereof. Before giving access to any safe-deposit vault or box the bank, trust company, savings and loan association, or safe-deposit corporation may demand payment to it of all costs and expenses of opening the safe-deposit vault or box and all costs and expenses of repairing any damage to the safe-deposit vault or box caused by the opening thereof.

SEC. 2. Section 683 of the Code of Civil Procedure is amended to read:

683. The execution may be made returnable, at any time not less than 10 nor more than 60 days after its receipt by the officer to whom it is directed, or, if the execution is upon the earnings of the judgment debtor, upon the termination of the levy of execution as provided in Section 682.3, to the court in which the judgment is entered. When the execution is returned, the clerk must attach it to the judgment roll, or the judge must make the proper entry in the docket.

If an execution is returned unsatisfied, another may be afterward issued within the time specified in this code.

If property either personal or real be levied upon under such writ of execution but the sale thereunder be postponed beyond or not held within the return date after it is received by the officer to whom it was delivered and which has been returned to the clerk of the

court in which the judgment is entered, upon request of the person in whose favor the writ runs the court may direct the clerk to redeliver such execution to the officer to whom it was directed in order to permit the officer to make an alias return of the proceedings of the sale or levy thereon as in the case of an original return of execution.

If proceeds resulting from a levy of execution are received by the levying officer after the writ has been returned to the court in which the judgment is entered, upon request of the person in whose favor the writ runs, the clerk shall redeliver such execution to the officer to whom it was directed in order to permit the officer to make an alias return of the levy as in the case of an original return of execution.

Whenever a writ of execution issued against real property containing a dwelling house has been returned, proof that notice required by Section 682b has been served shall be indicated on the writ, or separately and attached to the writ.

CHAPTER 43

An act to amend Section 4003 of the Unemployment Insurance Code, relating to federal-state extended benefits, and declaring the urgency thereof, to take effect immediately.

[Become law without Governor's signature May 10, 1977. Filed with Secretary of State May 10, 1977.]

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

SECTION 1. Section 4003 of the Unemployment Insurance Code is amended to read:

4003. (a) The provisions and definitions of terms in the "Federal-State Extended Unemployment Compensation Act of 1970" apply to this part. "Federal-state extended benefits" means benefits payable under this part.

(b) Effective with respect to compensation for weeks of unemployment beginning after March 30, 1977, the determination of whether there has been a state "on" or "off" indicator beginning or ending any extended benefit period shall be made as provided in subsection (e) of Section 203 of the Federal-State Extended Unemployment Compensation Act of 1970, as amended by the Unemployment Compensation Amendments of 1976 (P.L. 94-566), as if (i) paragraph (1) of such subsection (e) did not contain subparagraph (A) thereof, and (ii) the figure "4 per centum" in subparagraph (B) of paragraph (1) of such subsection (e) were "5 per centum."

SEC. 2. The amendment of Section 4003 of the Unemployment Insurance Code made by this act shall apply to weeks beginning after

March 30, 1977. The provisions of such Section 4003 as in effect prior to the amendments made by this act shall continue to apply to weeks beginning prior to March 31, 1977.

SEC. 3. No appropriation is made by this act, nor is any obligation created thereby under Section 2231 of the Revenue and Taxation Code, for the reimbursement of any local agency or school district for any costs that may be incurred by it in carrying on any program or performing any service required to be carried on or performed by it by this act.

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

Unless California law is amended in the manner proposed by this act to suspend the 120 percent provision and provide a 5 percent rate of insured unemployment as an "on" trigger, the payment of federal-state extended benefits may stop in California at the end of March 1977, and may not be payable thereafter for one or more weeks. To prevent the denial or interruption of payments of these federal-state extended benefits to thousands of unemployed California workers, it is necessary that this act take immediate effect.

CHAPTER 44

An act to amend Section 2 of Chapter 923 of the Statutes of 1975, and to amend Section 22411 of, and to add Section 22411.2 to, the Business and Professions Code, relating to appliance labeling, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 10, 1977. Filed with Secretary of State May 10, 1977.]

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

SECTION 1. Section 22411 of the Business and Professions Code is amended to read:

22411. No manufacturer shall sell any appliance in this state unless such appliance has been permanently marked with a serial number unique to that appliance. A marking that is required to be permanent shall be molded, die-stamped, or paint-stenciled or stamped or etched on metal that is permanently secured or indelibly stamped on pressure sensitive labels secured by adhesive that is adequate and suitable for permanent application.

Every manufacturer of an appliance to be sold within this state shall provide on the first page of the warranty or instruction manual, or on a separate card, a description of the appliance providing a space thereon for recording the model number and serial number, the description of the location of such numbers on the appliance, and

instructions to the final purchaser of the appliance to record and retain such numbers.

SEC. 2. Section 22411.2 is added to the Business and Professions Code, to read:

22411.2. The provisions of Section 22411 shall not apply to factory or dealer installed radios installed in a new motor vehicle or to radios installed in a motor vehicle by a dealer to replace such factory or dealer installed radios.

SEC. 3. Section 2 of Chapter 923 of the Statutes of 1975 is amended to read:

Sec. 2. The provisions of this chapter shall become operative on January 1, 1978.

SEC. 4. The provisions of this act shall become operative on April 1, 1977.

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

Chapter 923 of the Statutes of 1975 creates an ambiguity in the law as to the manner in which manufacturers of appliances may comply with its provisions by April 1, 1977. In order to resolve this ambiguity by the operative date of that chapter and give manufacturers sufficient time to comply with the provisions as clarified by this act, it is necessary that this act go into effect immediately.

CHAPTER 45

An act to amend Section 65356 of the Government Code, relating to general plans.

[Approved by Governor May 14, 1977 Filed with Secretary of State May 14, 1977]

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

SECTION 1. Section 65356 of the Government Code is amended to read:

65356. In adopting a general plan or any part or element thereof, or any amendment to such plan or any part or element thereof, which has been approved by the planning commission, the legislative body may approve, modify or disapprove the recommendation of the planning commission; provided that any modification of the proposed plan, part, element or amendment thereof by the legislative body not previously considered by the planning commission during its hearing, shall first be referred to the planning commission for report and recommendation, but the planning commission shall not be required to hold a public hearing thereon. If, however, the matter is referred to the planning

commission, failure of the planning commission to report within 40 days after the reference, or such longer period as may be designated by the legislative body, shall be deemed to be approval thereof.

CHAPTER 46

An act to amend Sections 116.4, 116.6, 117.3 and 117.4 of the Code of Civil Procedure, relating to small claims court, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 14, 1977 Filed with Secretary of State May 14, 1977.]

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

SECTION 1. Section 116.4 of the Code of Civil Procedure is amended to read:

116.4. An action shall be commenced by the plaintiff's filing, in person or by mail with the judge or clerk of the small claims division, a claim under oath setting forth: the name and address of the defendant; the amount and the basis of the claim; and that the plaintiff has demanded payment and, in applicable cases, the possession of the property; that the defendant has failed or refused to pay, and where applicable, has refused to surrender the premises; and that the plaintiff understands that the judgment on his claim will be conclusive without right of appeal by him. The judge or clerk shall thereupon (a) sign an order directing a defendant who resides within the county in which the action is filed, to appear on a hearing date not more than 40 days nor less than 10 days from the date of the order or, if the defendant resides outside of the county in which the action is filed, to appear on a hearing date not more than 70 nor less than 30 days from the date of the order, (b) cause a copy of the claim and order to be mailed to the defendant by any form of mail providing for a return receipt, or cause a copy to be delivered to defendant in person, and (c) inform the plaintiff of a specified hearing date and direct him to appear on that date with witnesses and documents to prove him claim. Service by such methods shall be deemed complete on the date of personal service, or on the date that the defendant signs the mail return receipt, or upon the presentation of other competent evidence to the court, whichever is applicable. Service of a copy of the claim and order may also be made and shall be complete, as provided in subdivision (a) or (b) of Section 415.20 of this code, without requirement for attempted service by either of the methods above provided, and shall be complete as provided in Section 415.20. Service to be valid must be made within this state.

If the service of the claim and order upon the defendant is not completed at least five days prior to the hearing date where the defendant resides within the county in which the action is brought,

or at least 15 days prior to the hearing date where the defendant resides outside the county in which the action is brought, unless the defendant personally appears and does not request a continuance, the court shall continue the date for the hearing for at least 10 days, and shall cause notice thereof by first-class mail to be served on any defendant who has been served but did not personally appear.

SEC. 2. Section 116.6 of the Code of Civil Procedure is amended to read:

116.6 Venue in such actions shall be the same as for civil actions filed in justice or municipal court. When it appears that the court in which such action is commenced is not, by reason of venue, the proper court, it may in its discretion, dismiss the action without prejudice or transfer it to the proper court on its own motion or on the request of the defendant. No additional fee shall be charged for such transfer.

SEC. 3. Section 117.3 of the Code of Civil Procedure is amended to read:

117.3. When there are two or more defendants and one or more of them resides outside the county in which the action is brought, the date for the appearance of all the defendants shall not be more than 70 nor less than 30 days from the date of the order to appear.

SEC. 4. Section 117.4 of the Code of Civil Procedure is amended to read:

117.4. No attorney at law or other person than the plaintiff and the defendant shall take any part in the filing or the prosecution or defense of such litigation in small claims court, unless the attorney is appearing to prosecute or defend an action by or against himself, or by or against a partnership in which he is a general partner and in which all the partners are attorneys, or by or against a professional corporation of which he is an officer or director and of which all other officers and directors are attorneys at law. Nothing herein shall prevent an attorney from rendering advice to a party to such litigation, either before or after the commencement of such an action; nor shall anything herein prevent an attorney from testifying to facts of which he has personal knowledge and about which he is competent to testify. However, if the court determines that a party does not speak or understand the English language sufficiently to comprehend the proceedings or give testimony, or cannot properly present his own case and needs assistance in so doing, the court may permit another person (other than an attorney at law) to assist such party.

The presence of the plaintiff or defendant, whether individual or corporate, at the hearing shall not be required to permit the proof of the items of an account but such proof shall be in accordance with the provisions of Section 1270 and 1271 of the Evidence Code.

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

Effective January 1, 1977, the law relating to small claims courts no longer permits a bookkeeper or accountant of the plaintiff or defendant to appear at a small claims court hearing in the absence of the plaintiff or defendant to prove a small claims court claim on an account. This will be a hardship on many plaintiffs and defendants who may have no actual personal knowledge of the financial aspects of their businesses. It is therefore necessary that this act take effect immediately.

CHAPTER 47

An act to add and repeal Section 76140.5 of the Education Code, relating to education, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 14, 1977. Filed with Secretary of State May 14, 1977]

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

SECTION 1. Section 76140.5 is added to the Education Code, to read:

76140.5. (a) Any student enrolled in a community college, who on the effective date of Chapter 990 of the Statutes of 1976, was receiving a waiver of all or part of the nonresident tuition fee as provided in subdivision (b) of Section 76140 of the Education Code, may continue to receive such waiver until he or she completes the degree or certificate program or other course of study in which he or she was enrolled on that date, or until September 1, 1980, whichever occurs first.

A governing board of a community college district may decide retroactively to not charge additional tuition fees of foreign students who were receiving nonresident tuition fee waivers on January 1, 1977, from that date to the effective date of this section.

(b) Notwithstanding the provisions of subdivision (b) of Section 76140, a community college shall not count within the 10 percent limitation those students exempted under subdivision (a) of this section.

(c) This section shall remain in effect until December 31, 1980, and as of that date is repealed.

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

In enacting Assembly Bill 4289 as Chapter 990 of the Statutes of 1976, the Legislature did not intend that community college students who were receiving waivers of all or part of their nonresident tuition fees on the effective date of that act, should be required to pay

additional fees during the period of their attendance at community colleges. Such additional payments would result in undue hardship to many students.

CHAPTER 48

An act relating to school employees, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 14, 1977 Filed with Secretary of State May 14, 1977]

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

SECTION 1. Notwithstanding any other provision of law to the contrary, the May 15th date for notices of termination required by Sections 44949 and 44955 of the Education Code may be extended to June 15th in the case of certificated employees of a school district which had an average daily attendance of 400,000 or more for the preceding school year, as shown by the annual report of the county superintendent of schools.

This section shall remain in effect only until July 1, 1977, and as of that date is repealed.

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

This act is necessary in order to enable the Los Angeles Unified School District to determine with greater certainty whether it will be necessary to terminate certain certificated employees to help provide a balanced budget prior to the conclusion of the case of Mary Ellen Crawford, et al, v. The Board of Education of the City of Los Angeles.

CHAPTER 49

An act to amend Section 1952 of, and to add Section 1952.3 to, the Civil Code, relating to leases.

[Approved by Governor May 14, 1977 Filed with Secretary of State May 14, 1977.]

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

SECTION 1. Section 1952 of the Civil Code is amended to read:

1952. (a) Except as provided in subdivision (c), nothing in Sections 1951 to 1951.8, inclusive, affects the provisions of Chapter 4

(commencing with Section 1159) of Title 3 of Part 3 of the Code of Civil Procedure, relating to actions for unlawful detainer, forcible entry, and forcible detainer.

(b) Unless the lessor amends the complaint as provided in paragraph (1) of subdivision (a) of Section 1952.3 to state a claim for damages not recoverable in the unlawful detainer proceeding, the bringing of an action under the provisions of Chapter 4 (commencing with Section 1159) of Title 3 of Part 3 of the Code of Civil Procedure does not affect the lessor's right to bring a separate action for relief under Sections 1951.2, 1951.5, and 1951.8, but no damages shall be recovered in the subsequent action for any detriment for which a claim for damages was made and determined on the merits in the previous action.

(c) After the lessor obtains possession of the property under a judgment pursuant to Section 1174 of the Code of Civil Procedure, he is no longer entitled to the remedy provided under Section 1951.4 unless the lessee obtains relief under Section 1179 of the Code of Civil Procedure.

SEC. 2. Section 1952.3 is added to the Civil Code, to read:

1952.3. (a) Except as provided in subdivisions (b) and (c), if the lessor brings an unlawful detainer proceeding and possession of the property is no longer in issue because possession of the property has been delivered to the lessor before trial or, if there is no trial, before judgment is entered, the case becomes an ordinary civil action in which:

(1) The lessor may obtain any relief to which he is entitled, including, where applicable, relief authorized by Section 1951.2; but, if the lessor seeks to recover damages described in paragraph (3) of subdivision (a) of Section 1951.2 or any other damages not recoverable in the unlawful detainer proceeding, the lessor shall first amend the complaint pursuant to Section 472 or 473 of the Code of Civil Procedure so that possession of the property is no longer in issue and to state a claim for such damages and shall serve a copy of the amended complaint on the defendant in the same manner as a copy of a summons and original complaint is served.

(2) The defendant may, by appropriate pleadings or amendments to pleadings, seek any affirmative relief, and assert all defenses, to which he is entitled, whether or not the lessor has amended the complaint; but subdivision (a) of Section 426.30 of the Code of Civil Procedure does not apply unless, after delivering possession of the property to the lessor, the defendant (i) files a cross-complaint or (ii) files an answer or an amended answer in response to an amended complaint filed pursuant to paragraph (1).

(b) The defendant's time to respond to a complaint for unlawful detainer is not affected by the delivery of possession of the property to the lessor; but, if the complaint is amended as provided in paragraph (1) of subdivision (a), the defendant has the same time to respond to the amended complaint as in an ordinary civil action.

(c) The case shall proceed as an unlawful detainer proceeding if

the defendant's default (1) has been entered on the unlawful detainer complaint and (2) has not been opened by an amendment of the complaint or otherwise set aside.

(d) Nothing in this section affects the pleadings that may be filed, relief that may be sought, or defenses that may be asserted in an unlawful detainer proceeding that has not become an ordinary civil action as provided in subdivision (a).

CHAPTER 50

An act relating to claims of local agencies, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 14, 1977. Filed with Secretary of State May 14, 1977.]

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

SECTION 1. The sum of five hundred twenty-three thousand three hundred fifty-two dollars and fifty-four cents ($523,352.54) is hereby appropriated from the General Fund to the State Board of Control to pay the claims awarded pursuant to Article 3.5 (commencing with Section 2250) of Chapter 3 of Part 4 of Division 1 of the Revenue and Taxation Code, during the 1976 calendar year.

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

In order to settle claims against the state and end hardships to claimants as quickly as possible, it is necessary for this act to take effect immediately.

CHAPTER 51

An act to add Section 35725 to the Education Code, relating to school districts.

[Approved by Governor May 14, 1977. Filed with Secretary of State May 14, 1977.]

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

SECTION 1. Section 35725 is added to the Education Code, to read:

35725. (a) An elementary school district, otherwise subject to Section 35720, shall not lapse if the governing board of the district so determines by resolution duly adopted by the board, and provided that:

(1) Not more than one school is maintained by the district;

(2) The shortest practical distance, by schoolbus, from the school of the district to the nearest elementary school maintained by any adjoining district is 35 miles or more; and

(3) Within the preceding three years, the electors of the district have voted an increase in the tax rate of the district for purposes of maintaining an elementary school in the district.

(b) A governing board which has adopted a resolution pursuant to subdivision (a) may, at any time thereafter, rescind such resolution by appropriate action.

CHAPTER 52

An act to amend Section 560 of the Insurance Code, relating to auto claims payments.

[Approved by Governor May 16, 1977. Filed with Secretary of State May 16, 1977]

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

SECTION 1. Section 560 of the Insurance Code is amended to read:

560. Every insurer issuing an automobile collision policy, as defined in subdivision (d) of Section 660, or a policy for comprehensive coverage for a motor vehicle, as defined in Section 11580.07, shall, in the event of damage to a covered automobile by collision or otherwise and the election by the insurer to have such automobile repaired by the repairer, make payment by check or draft, payable to the repairer or to the named insured and the repairer, jointly, not later than 10 days subsequent to receipt of an itemized bill or invoice covering repairs authorized by the insurer which have been satisfactorily completed.

CHAPTER 53

An act to amend Sections 45162 and 88162 of the Education Code, relating to salaries of classified school employees, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 16, 1977. Filed with Secretary of State May 16, 1977]

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

SECTION 1. Section 45162 of the Education Code is amended to read:

45162. (a) The governing board of any school district shall, not later than the date prescribed by law for approval of the publication budget of every year, fix the annual salaries for the ensuing school year for all persons employed by the district in positions not requiring certification qualifications. The governing board may, at the time, include an increase in such annual salaries, all or part of which increase is conditional upon the actual receipt by the district of anticipated revenue from all sources. If the revenue actually received is less than that anticipated, the governing board may, at any time during the school year, reduce such annual salaries by an amount not to exceed the amount which was granted subject to the receipt of such revenues.

(b) The governing board of a school district may, at any time during the school year, increase the salaries of persons employed by the district in positions not requiring certification qualifications. Such increase shall be effective on any date ordered by the governing board.

(c) A governing board may, at any time, increase the wages or salaries of classified employees if the board or, in a merit system district, the personnel commission approves a classification change in a position, a class of positions, or any or all of the positions or classes of positions a part of the classified service.

(d) The provisions of this section shall not be construed to permit a governing board to demote or dismiss an employee as a result of reclassification of a position or class of positions except as may otherwise be permitted by law.

(e) This section shall apply to districts that have adopted the merit system in the same manner and effect as if it were a part of Article 6 (commencing with Section 45240) of this chapter.

SEC. 2. Section 88162 of the Education Code is amended to read:

88162. (a) The governing board of any community college district shall, not later than the date prescribed by law for approval of the publication budget of every year, fix the annual salaries for the ensuing school year for all persons employed by the district in positions not requiring certification qualifications. The governing board may, at the time, include an increase in such annual salaries, all or part of which increase is conditional upon the actual receipt by the district of anticipated revenue from all sources. If the revenue actually received is less than that anticipated, the governing board may, at any time during the school year, reduce such annual salaries by an amount not to exceed the amount which was granted subject to the receipt of such revenues.

(b) The governing board of a community college district may, at any time during the school year, increase the salaries of persons employed by the district in positions not requiring certification qualifications. Such increase shall be effective on any date ordered by the governing board.

(c) A governing board may, at any time, increase the wages or salaries of classified employees if the board or, in a merit system district, the personnel commission approves a classification change in a position, a class of positions, or any or all of the positions or classes of positions a part of the classified service.

(d) The provisions of this section shall not be construed to permit a governing board to demote or dismiss an employee as a result of reclassification of a position or class of positions except as may otherwise be permitted by law.

(e) This section shall apply to districts that have adopted the merit system in the same manner and effect as if it were a part of Article 3 (commencing with Section 88060) of this chapter.

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

In order to permit more flexibility in negotiations in upcoming contract discussions between school district governing boards and classified school employees, at the earliest possible time, it is essential that this act take immediate effect.

CHAPTER 54

An act to add Section 789.14 to the Civil Code, relating to mobilehome parks.

[Approved by Governor May 16, 1977 Filed with Secretary of State May 16, 1977.]

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

SECTION 1. Section 789.14 is added to the Civil Code, to read:

789.14. Any prospective tenant or tenant of a mobilehome park subject to the provisions of Section 789.5 may request that his tenancy in the mobilehome park be governed by a written rental agreement. If such a request is made, the ownership or management shall furnish the tenant with a written rental agreement for a term of not less than 12 months.

CHAPTER 55

An act making an appropriation for payment by the State Department of Health of claims against the state, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 16, 1977 Filed with Secretary of State May 16, 1977]

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

SECTION 1. The sum of twelve million three hundred two thousand three hundred dollars ($12,302,300) is hereby appropriated from the General Fund to the State Department of Health for expenditure as follows:

(a) The sum of six million seven hundred thirty-seven thousand dollars ($6,737,000) for allocation to the counties to pay for in-home supportive services pursuant to Article 7 (commencing with Section 12300) of Chapter 3 of Part 3 of Division 9 of the Welfare and Institutions Code for the 1976–77 fiscal year and in augmentation of any other appropriation for such purpose.

(b) The sum of five million five hundred sixty-five thousand three hundred dollars ($5,565,300) to augment, upon order of the Director of Finance and in such amounts as he determines, Item 282 and Item 289 of the Budget Act of 1976 (Ch. 320, Stats. 1976) for expenditure, during the 1976–77 fiscal year, (1) for the state's share of support of the State Department of Health under the medical assistance program and (2) for the state's share of expenditures for fiscal intermediary services under the medical assistance program.

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

In order to enable the state to make payment of essential claims against the state when due, it is necessary that this act take effect immediately.

CHAPTER 56

An act to amend Section 25100 of the Corporations Code and Section 1280.7 of the Insurance Code, relating to securities, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 16, 1977. Filed with Secretary of State May 16, 1977]

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

SECTION 1. Section 25100 of the Corporations Code is amended to read:

25100. The following securities are exempted from the provisions of Sections 25110, 25120, and 25130:

(a) Any security (including a revenue obligation) issued or guaranteed by the United States, any state, any city, county, city and county, public district, public authority, public corporation, public entity, or political subdivision of a state or any agency or corporate or other instrumentality of any one or more of the foregoing; or any

certificate of deposit for any of the foregoing.

(b) Any security issued or guaranteed by the Dominion of Canada, any Canadian province, any political subdivision or municipality of any such province, or by any other foreign government with which the United States currently maintains diplomatic relations, if the security is recognized as a valid obligation by the issuer or guarantor; or any certificate of deposit for any of the foregoing.

(c) Any security issued or guaranteed by and representing an interest in or a direct obligation of a national bank or a bank or trust company incorporated under the laws of this state, and any security issued by a bank to one or more other banks and representing an interest in an asset of the issuing bank.

(d) Any security issued or guaranteed by a federal savings and loan association or federal land bank or joint land bank or national farm loan association or by any savings and loan association which is subject to the supervision and regulation of the Savings and Loan Commissioner of this state.

(e) Any security (other than an interest in all or portions of a parcel or parcels of real property which are subdivided land or a subdivision or in a real estate development), the issuance of which is subject to authorization by the Insurance Commissioner, the Public Utilities Commission, or the Real Estate Commissioner of this state.

(f) Any security consisting of any interest in all or portions of a parcel or parcels of real property which are subdivided lands or a subdivision or in a real estate development; provided that the exemption in this subdivision shall not be applicable to any investment contract sold or offered for sale with, or as part of, any such interest, or to any corporation engaged in the business of selling, distributing or supplying water for irrigation purposes or domestic use which is not a public utility.

(g) Any shares, investment certificates or borrower's membership certificates (as defined in the Savings and Loan Association Law) issued by a savings and loan association holding a license then in force from the Savings and Loan Commissioner of this state.

(h) Any security issued or guaranteed by any federal credit union, or by any credit union organized and supervised under the laws of this state.

(i) Any security issued or guaranteed by any railroad, other common carrier, public utility, or public utility holding company which is (1) subject to the jurisdiction of the Interstate Commerce Commission or (2) a holding company registered with the Securities and Exchange Commission under the Public Utility Holding Company Act of 1935 or a subsidiary of such a company within the meaning of that act or (3) regulated in respect of the issuance or guarantee of the security by a governmental authority of the United States, of any state, of Canada or of any Canadian province; and the security is subject to registration with or authorization of issuance by such authority.

(j) Any security (except evidences of indebtedness, whether interest bearing or not) of an issuer (1) organized exclusively for educational, benevolent, fraternal, religious, charitable, social, or reformatory purposes and not for pecuniary profit, if no part of the net earnings of the issuer inures to the benefit of any private shareholder or individual, or (2) organized as a chamber of commerce or trade or professional association. The fact that amounts received from memberships or dues or both will or may be used to construct or otherwise acquire facilities for use by members of the nonprofit organization does not disqualify the organization for this exemption. This exemption does not apply to the securities of any nonprofit organization if any promoter thereof expects or intends to make a profit directly or indirectly from any business or activity associated with the organization or operation of such nonprofit organization or from remuneration received from such nonprofit organization.

(k) Any agreement, commonly known as a "life income contract," of an issuer (1) organized exclusively for educational, benevolent, fraternal, religious, charitable, social, or reformatory purposes and not for pecuniary profit and (2) which the commissioner designates by rule or order, with a donor in consideration of a donation of property to such issuer and providing for the payment to the donor or persons designated by him of income or specified periodic payments from the donated property or other property for the life of the donor or such other persons.

(*l*) Any note, draft, bill of exchange, or banker's acceptance which is freely transferable and of prime quality, arises out of a current transaction or the proceeds of which have been or are to be used for current transactions, and which evidences an obligation to pay cash within nine months of the date of issuance, exclusive of days of grace, or any renewal of such paper which is likewise limited, or any guarantee of such paper or of any such renewal, provided that such paper is not offered to the public in amounts of less than twenty-five thousand dollars ($25,000) in the aggregate to any one purchaser. In addition, the commissioner may, by rule or order, exempt any issuer of any notes, drafts, bills of exchange or banker's acceptances from qualification of such securities when he finds that such qualification is not necessary or appropriate in the public interest or for the protection of investors.

(m) Any security issued by any corporation organized and existing under the provisions of Chapter 1 (commencing with Section 54001) of Divison 20 of the Agricultural Code.

(n) Any beneficial interest in a retirement system as defined in subdivision (a) of Section 28002.

(o) Any security listed or approved for listing upon notice of issuance on a national securities exchange certified by rule or order of the commissioner and any warrant or right to purchase or subscribe to any such security.

Such certification of an exchange shall be made by the

commissioner upon the written request of the exchange if he finds that the exchange, in acting on applications for listing of common stock substantially applies each of the minimum standards set forth in subparagraph (1) below, and in considering suspension or removal from listing, substantially applies each of the criteria set forth in subparagraph (2) below.

(1) Listing standards:

(i) Net tangible assets of at least two million dollars ($2,000,000).

(ii) Net income of at least two hundred fifty thousand dollars ($250,000) after all charges including federal income taxes in the fiscal year immediately preceding the filing of a listing application and net income before such taxes of at least five hundred thousand dollars ($500,000).

(iii) Minimum public distribution of 250,000 shares excluding the holdings of officers, directors, controlling shareholders and other concentrated or family holdings among not less than 900 holders including not less than 600 holders of lots of 100 shares or more, with a corresponding requirement that such securities not be largely held in blocks by institutional investors.

(iv) Minimum price of four dollars ($4) per share for a reasonable period of time prior to the filing of a listing application.

(v) An aggregate market value for publicly held shares of at least one million five hundred thousand dollars ($1,500,000).

(2) Criteria for consideration of suspension or removal from listing:

(i) If a company which (A) has net tangible assets of less than one million dollars ($1,000,000) has sustained net losses in each of its two most recent fiscal years, or (B) has net tangible assets of less than three million dollars ($3,000,000) and has sustained net losses in three of its four most recent fiscal years.

(ii) If the number of shares publicly held (excluding the holdings of officers, directors, controlling shareholders and other concentrated or family holdings) is less than 150,000.

(iii) If the total number of shareholders of record is less than 450 or if the number of shareholders of lots of 100 shares or more is less than 300.

(iv) If the aggregate market value of shares publicly held is less than seven hundred fifty thousand dollars ($750,000).

(v) If shares of common stock sell at a price of less than four dollars ($4) per share for a substantial period of time and the issuer shall fail to effectuate a reverse stock split of such shares within a reasonable period of time after being requested by the exchange to take such action.

The commissioner after appropriate notice and opportunity for hearing in accordance with the provisions of the Administrative Procedure Act, Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, may by rule or order, decertify any exchange previously certified which ceases substantially to apply the standards or criteria as set forth above. A

rule or order of certification shall conclusively establish that any security listed or approved for listing upon notice of issuance on any exchange named in a rule or order of certification and any warrant or right to purchase or subscribe to any such security is exempt under this subdivision until the adoption of any rule or order decertifying such exchange.

(p) A promissory note secured by a lien on real property, which is not one of a series of notes secured by interests in the same real property.

(q) Any unincorporated interindemnity or reciprocal or interinsurance contract, which qualifies under the provisions of Section 1280.7 of the Insurance Code, between members of a cooperative corporation, organized and operating under Part 2 (commencing with Section 12200) of Division 3 of Title 1, and whose members consist only of physicians and surgeons licensed in California, which contracts indemnify solely in respect to medical malpractice claims against such members, and which do not collect in advance of loss any moneys other than contributions by each member to a collective reserve trust fund or for necessary expenses of administration.

(1) Whenever it appears to the commissioner that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of Section 1280.7 of the Insurance Code, he may in his discretion bring an action in the name of the people of the State of California in the superior court to enjoin the acts or practices or to enforce compliance with Section 1280.7 of the Insurance Code. Upon a proper showing a permanent or preliminary injunction, restraining order or writ of mandate shall be granted and a receiver or conservator may be appointed for the defendant or the defendant's assets. The court shall not require the commissioner to post a bond.

(2) The commissioner may, in his discretion, (A) make such public or private investigations within or outside of this state as he deems necessary to determine whether any person has violated or is about to violate any provision of Section 1280.7 of the Insurance Code or to aid in the enforcement of such Section 1280.7, and (B) publish information concerning the violation of such Section 1280.7.

(3) For the purpose of any investigation or proceeding under this section, the commissioner or any officer designated by him may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, agreements, or other documents or records which the commissioner deems relevant or material to the inquiry.

(4) In case of contumacy by, or refusal to obey a subpoena issued to, any person, the superior court, upon application by the commissioner, may issue to the person an order requiring him to appear before the commissioner, or the officer designated by him, there to produce documentary evidence, if so ordered, or to give

evidence touching the matter under investigation or in question. Failure to obey the order of the court may be punished by the court as a contempt.

(5) No person is excused from attending or testifying or from producing any document or record before the commissioner or in obedience to the subpoena of the commissioner or any officer designated by him, or in any proceeding instituted by the commissioner, on the ground that the testimony or evidence (documentary or otherwise), required of him may tend to incriminate him or subject him to a penalty or forfeiture, but no individual may be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after validly claiming his privilege against self-incrimination, to testify or produce evidence (documentary or otherwise), except that the individual testifying is not exempt from prosecution and punishment for perjury or contempt committed in testifying.

SEC. 2. Section 1280.7 of the Insurance Code is amended to read:

1280.7. This chapter and the other provisions of this code shall not apply to or affect unincorporated interindemnity or reciprocal or interinsurance contracts between members of a cooperative corporation, organized and operating under Part 2 (commencing with Section 12200) of Division 3 of Title 1 of the Corporations Code whose members consist solely of physicians and surgeons licensed in California, which contracts indemnify solely in respect to medical malpractice claims against such members, and which do not collect in advance of loss any moneys other than contributions by each member to a collective reserve trust fund or for necessary expenses of administration. Such unincorporated interindemnity or reciprocal or interinsurance contracts shall comply with all of the following requirements:

(a) Each participating member shall enter into and, concurrently therewith, receive an executed copy of a trust agreement, which shall govern the collection and disposition of all funds of the interindemnity arrangement.

The trust agreement shall, as a minimum, contain provision for all the following matters:

(1) An initial trust corpus of not less than ten million dollars ($10,000,000), which corpus shall be a trust fund to secure enforcement of the interindemnity arrangement. The average initial contribution to such corpus shall be not less than twenty thousand dollars ($20,000) per member participating in the interindemnity arrangement. No such interindemnity arrangement shall become operative until the requisite minimum reserve trust fund has been established by such participating members.

(2) The reserve trust fund created by such trust agreement shall be administered by a board of trustees of three or more members, all of whom shall be physicians and surgeons licensed in California, participating members in the interindemnity arrangement, and

elected biennially or more frequently by at least a majority of all members participating in the interindemnity arrangement.

(3) The board of trustees shall be the custodian of all funds of the interindemnity arrangement, and all such funds shall be deposited in such bank or banks and savings and loan associations in California as the board may designate, and each such account shall require two or more signatories for withdrawal of funds. The authorized signatories shall be appointed by the board and shall be physicians and surgeons licensed in California and participating members in the interindemnity arrangement. Each signatory on such accounts shall maintain, at all times while empowered to draw on such funds, for the benefit of the interindemnity arrangement, a bond against loss suffered through embezzlement, mysterious disappearance, holdup or burglary or other loss issued by a bonding company licensed to do business in California in a penal sum of not less than one hundred thousand dollars ($100,000).

(4) All funds held in trust which are in excess of current financial needs shall be invested and reinvested from time to time, under the direction of the board of trustees, in eligible securities, as defined in Section 16430 of the Government Code, or in certificates of deposits or time deposits issued by banks and savings and loan associations in California duly insured by instrumentalities of the United States government.

(5) The income earned on the corpus of the trust fund shall be the source for the payment of the claims, costs, judgments, settlements, and costs of administration contemplated by such interindemnity arrangement, and to the extent such income is insufficient for such purposes, the board of trustees shall have the power and authority to assess participating members for all amounts necessary to meet the obligations of such interindemnity arrangement in accordance with the terms thereof and any such assessment levied against a member shall be the personal obligation of such member. Any person who obtains a final judgment of recovery for medical malpractice against a member of such interindemnity arrangement shall have, in addition to any other remedy, the right to assert directly all rights to indemnification which the judgment debtor has under the interindemnity arrangement. Such final judgment shall be a lien on the reserve trust fund to secure payment of such judgment, limited to the extent of the judgment debtor's rights to indemnification.

(6) Each participating member shall be covered by such interindemnity arrangement for not less than one million dollars ($1,000,000) for each occurrence of professional negligence, with the terms and conditions of such coverage to be specified in the trust agreement, except that such interindemnity arrangement may provide participating members with less than one million dollars ($1,000,000) of such coverage if the interindemnity arrangement obtains for the benefit of such members reinsurance of excess limits coverage in an amount which when added to the coverage provided

by such interindemnity arrangement would equal not less than one million dollars ($1,000,000) for each occurrence of professional negligence.

(7) Withdrawal of all, or any portion of, the corpus of the reserve trust fund shall be upon the written authorization signed by at least two-thirds of the members of the board of trustees.

(8) The board of trustees shall cause both of the following to be furnished to each member participating in such interindemnity arrangement, and to be filed with the Commissioner of Corporations:

(A) Within 90 days after the end of each fiscal year a statement of the assets and liabilities of the interindemnity arrangement as of the end of such year, a statement of the revenue and expenditures of the interindemnity arrangement, and a statement of the changes in corpus of the reserve trust for such year, in each case accompanied by a certificate signed by a firm of independent certified public accountants selected by the board of trustees indicating that such firm has conducted an audit of such statements in accordance with generally accepted auditing standards and indicating the results of such audit.

(B) Within 45 days after the end of each of the first three quarterly periods of each fiscal year a statement of the assets and liabilities of the interindemnity arrangement as of the end of such quarterly period, a statement of the revenue and expenditures of the interindemnity arrangement and a statement of the changes in corpus of the reserve trust for such period, in each case accompanied by a certificate signed by a majority of the members of the board of trustees to the effect that such statements were prepared from the official books and records of the interindemnity arrangement.

(C) In addition to the statements required to be filed pursuant to this paragraph, the board of trustees shall annually file with the Commissioner of Corporations an authorization for disclosure to the commissioner of all financial records pertaining to the interindemnity arrangement. For the purpose of this clause, the authorization for disclosure shall also include the financial records of any association, partnership, or corporation that has management or control of the funds or the operation of the interindemnity arrangement.

(9) The trust agreement shall also provide for all the following:

(A) In the event a participating member who is in full compliance with the trust agreement dies, the initial contribution made by the decedent shall be returned to such member's estate or designated beneficiary; the indemnity coverage shall continue for the benefit of the decedent's estate in respect of occurrences during the time the decedent was a participating member; and neither the person receiving the repayment of the initial contribution nor the decedent's estate shall be responsible for any assessments levied following the death of the member.

(B) A participating member who is then in full compliance with the trust agreement and who has reached the age of 65 and who has

retired completely from the practice of medicine may elect to retire from the interindemnity arrangement, in which case such member shall not be responsible for assessments levied following the date notice of retirement is given to the trust. Following such retirement, the indemnity coverage shall continue for the benefit of such member in respect of occurrences prior to the time such member retired from the interindemnity arrangement. Such retired member's initial contribution shall be repaid 10 years from the date the notice of retirement is received by the trust, or such earlier date as specified in the trust agreement.

(C) During any period in which a participating member, who is then in full compliance with the trust agreement, has, in the judgment of the board of trustees, become unable to perform any and every duty of his or her regular professional occupation, the indemnity coverage shall continue for the benefit of such member and such member shall not be responsible for assessments levied during such period.

(D) In the event a participating member fails to pay any assessment when the same is due, the board of trustees may terminate such person's membership status if such failure to pay is not cured within 30 days from the date the assessment was due. Upon such termination the former participating member shall not be entitled to the return of all or any part of his or her initial contribution, and the indemnity coverage shall thereupon terminate as to all claims then pending against such person and in respect to all occurrences prior to the date of such termination of membership. However, in the event the interindemnity arrangement is then providing legal defense services to such person, the interindemnity arrangement shall continue to provide those services for a period of 10 days following such termination.

(E) In the event a participating member fails to comply with any provision of the trust agreement (other than a failure to pay assessments when due), the board of trustees may terminate such person's membership status if such failure to comply is not cured within 60 days from the date such person is notified of the failure; provided that before such membership status may be terminated such person shall be given the right to call for a hearing before the board of trustees (to be held before the expiration of such 60-day period), at which hearing such person shall be given the opportunity to demonstrate to the board of trustees that no failure to comply has occurred or, if it has occurred, that it has been cured. Upon such termination, the former participating member shall not be entitled to the return of all or any part of his or her initial contribution, and the indemnity coverage shall thereupon terminate as to all claims then pending against such person and in respect to all occurrences prior to the date of such termination of membership. However, in the event the interindemnity arrangement is then providing legal defense services to such person, the interindemnity arrangement shall continue to provide those services for a period of 10 days

following such termination.

(F) A participating member who is then in full compliance with the trust agreement may elect voluntarily to terminate his or her membership in the interindemnity arrangement. Upon such voluntary termination, such person may further elect to cease being responsible for future assessments, or to continue to pay such assessments until such time as such person's initial contribution is repaid. In the event such person elects to cease being responsible for future assessments, the indemnity coverage shall thereupon terminate and such person shall either be responsible for his or her own exposure for acts committed while a participating member in the interindemnity arrangement, or he or she may request the interindemnity arrangement to purchase or provide, at the cost of such person, coverage for such exposure. The initial contribution of such person shall be repaid on the 10th anniversary of the date such contribution was made. In the event such person elects to continue to be responsible for assessments, the indemnity coverage shall continue in respect of occurrences prior to the date of such voluntary termination, and the initial contribution of such person shall be repaid at such time as the board of trustees is satisfied that (i) there are no claims pending against such person in respect of occurrences during the time such person was a participating member, and (ii) the statute of limitations has run on all claims which might be asserted against such person in respect of occurrences during such time. In no event shall such repayment be made earlier than the 10th anniversary of the date such contribution was made.

(G) The board of trustees shall have the right to terminate the membership of a participating member where the board of trustees determines that such termination is in the best interests of the interindemnity arrangement even though such person has complied with all of the provisions of the trust agreement. Such a termination may be effected only if at least two-thirds of the members of the board of trustees indicate in writing their decision so to terminate. If the board of trustees proposes so to terminate a member, such member shall have the right to call a special meeting of all participating members for the purpose of voting on whether or not such member shall be so terminated. Such member shall not be so terminated if at least two-thirds of the participating members present indicate that such member should not be so terminated. In the event a member is so terminated, such person may elect either (i) to request the return of his or her initial contribution, in which case the same shall be repaid and the indemnity coverage shall thereupon terminate as to all claims then pending against such person and in respect to all occurrences prior to the date of such termination of membership. However, in the event the interindemnity arrangement is then providing legal defense services to such person, the interindemnity arrangement shall continue to provide those services for a period of 30 days to enable such person to assume his or her own defense; or (ii) to release all rights to the

return of such initial contribution, in which case the indemnity coverage shall continue for the benefit of such member in respect of occurrences during the time such person was a participating member and such person shall have no responsibility for assessments levied following such termination.

(10) Each member participating in such interindemnity arrangement shall have the right of access to, and the inspection of, the books and records of the interindemnity arrangement, which rights shall be similar to the corporate shareholders pursuant to Section 3003 of the Corporations Code, or, commencing January 1, 1977, Section 1600 to 1605, inclusive, of the Corporations Code.

(11) There shall be a meeting of all members participating in the interindemnity arrangement, at least annually, after not less than 10 days' written notice has been given, at a location reasonably convenient to such participating members and on a date which is within a reasonable period of time following the distribution of the annual financial statements.

(12) The interindemnity arrangement, and the reserve trust fund incident thereto, shall be subject to termination at any time by the vote or written consent of not less than three-fourths of the participating members.

(b) The board of trustees shall cause to be recorded with the office of the county recorder of the county of the principal place of business of the interindemnity arrangement within 90 days following the end of each fiscal year, a written statement, executed by a majority of the board of trustees under penalty of perjury, reciting that each member participating in such interindemnity arrangement was mailed a copy of the annual financial statement and quarterly audit certificates by first-class mail, postage prepaid, required pursuant to paragraph (8) of subdivision (a).

(c) Each person solicited to become a participating member in such an interindemnity arrangement shall receive in writing, at least 48 hours prior to the execution by the prospective participating member of the trust agreement, and at least 48 hours prior to the payment by such prospective participating member of any consideration in connection with such interindemnity arrangements, the following information: (1) A copy of the articles of incorporation and bylaws of the cooperative corporation and a copy of the form of trust agreement to be executed by such prospective participating member.

(2) A disclosure statement regarding the interindemnity arrangement. The disclosure statement shall contain on the first or cover page a legend in boldface type reading substantially as follows:

"THE INTERINDEMNITY ARRANGEMENT CONTEMPLATED HEREIN PROVIDES THAT PARTICIPATING MEMBERS HAVE UNLIMITED PERSONAL LIABILITY FOR ASSESSMENTS WHICH MAY BE LEVIED TO PAY FOR THE PROFESSIONAL NEGLIGENCE LIABILITIES COVERED BY THIS ARRANGEMENT. NO ASSURANCES CAN BE GIVEN

REGARDING THE AMOUNT OR FREQUENCY OF ASSESSMENTS WHICH MAY BE SO LEVIED, OR THAT ALL PARTICIPATING MEMBERS WILL MAKE TIMELY PAYMENT OF THEIR ASSESSMENTS TO COVER THE PROFESSIONAL NEGLIGENCE LIABILITY OF A PARTICIPATING MEMBER."

(3) The disclosure statement shall further contain all of the following information:

(A) The amount, nature and terms and conditions of the professional negligence coverage available under the interindemnity arrangement.

(B) The amount of the initial contribution required of each participating member and a statement of the minimum number of members and aggregate contributions required for the interindemnity arrangement to commence.

(C) The names, addresses and professional experience of each member of the board of trustees.

(D) The requirements for admission as a participating member.

(E) A statement of the services to be provided under the interindemnity arrangement to each participating member.

(F) A statement regarding the obligation of each member to pay assessments and the consequences for failure to do so.

(G) A statement of the rights and obligations of a participating member in the event such member dies, retires, becomes disabled or terminates participation for any reason, or the interindemnity arrangement terminates for any reason.

(H) A statement regarding the claims administration services to be provided, indicating whether these services will be delegated to others pursuant to a contractual arrangement

(I) A statement of the voting rights of the members and the circumstances under which participation of such a member may be terminated and under which the interindemnity arrangement may be terminated.

(J) If any statement of estimated or projected financial information for the interindemnity arrangement is used, a statement of such estimation or projection and a summary of the data and assumptions upon which it is based

(4) A list with the names and addresses of all then current participating members of the interindemnity arrangement.

(d) No person shall receive, or be entitled to receive, any payment, bonus, salary, income, compensation or other benefit whatsoever, either from the reserve trust fund or the income therefrom or from any other funds of the interindemnity arrangement or the members thereof based on the number of participating members, or the amount of the reserve trust fund or other funds of the interindemnity arrangement.

(e) A peer review committee or committees shall be established by the trust agreement to review the qualifications of any physician and surgeon to participate or continue to participate in such interindemnity arrangement, and to review the quality of medical

services rendered by any participating member, as well as the validity of medical malpractice claims made against participating members. Any physician and surgeon, prior to becoming a participating member of such interindemnity arrangement, shall be reviewed and approved by a majority of the members of such peer review committee. No peer review committee, or any of its members, shall be liable for any action taken by such committee in reviewing the qualifications of a physician and surgeon to participate or continue to participate, or the quality of medical services rendered, or the validity of a medical malpractice claim, unless it is alleged and proved that such action was taken with actual malice.

(f) The following are hereby defined as unfair methods of competition and deceptive acts or practices with respect to cooperative corporations or interindemnity arrangements provided for in this section.

(1) Making any false or misleading statement as to, or issuing, circulating, or causing to be made, issued or circulated, any estimate, illustration, circular, or statement misrepresenting the terms of any interindemnity arrangement or the benefits or advantages promised thereby, or making any misleading representation or any misrepresentation as to the financial condition of such interindemnity arrangement, or making any misrepresentation to any participating member for the purpose of inducing or tending to induce such member to lapse, forfeit, or surrender his or her rights to indemnification under such interindemnity arrangement. It shall be a false or misleading statement to state or represent that a cooperative corporation or interindemnity arrangment is or constitutes "insurance" or an "insurance company" or an "insurance policy."

(2) Making or disseminating or causing to be made or disseminated before the public in this state, in any newspaper or other publication, or any advertising device, or by public outcry or proclamation, or in any other manner or means whatsoever, any statement containing any assertion, representation, or statement with respect to such cooperative corporations or interindemnity arrangements, or with respect to any person in the conduct of such cooperative corporations or interindemnity arrangements, which is untrue, deceptive, or misleading, and which is known, or which by the exercise of reasonable care should be known, to be untrue, deceptive, or misleading. It shall be a false or misleading statement to state or represent that a cooperative corporation or interindemnity arrangement is or constitutes "insurance" or an "insurance company" or an "insurance policy."

(3) Entering into any agreement to commit, or by any concerted action committing, any act of boycott, coercion, or intimidation resulting in or tending to result in an unreasonable restraint of, or monopoly in, such cooperative corporations or interindemnity arrangements.

(4) Filing with any supervisory or other public official, or making,

publishing, disseminating, circulating, or delivering to any person, or placing before the public, or causing directly or indirectly, to be made, published, disseminated, circulated, or delivered to any person, or placed before the public any false statement of financial condition of such a cooperative corporation or interindemnity arrangement with intent to deceive.

(5) Making any false entry in any book, report, or statement of such a cooperative corporation or interindemnity arrangement with intent to deceive any agent or examiner lawfully appointed to examine into its condition or into any of its affairs, or any public official to whom such a cooperative corporation or interindemnity arrangement is required by law to report, or who has authority by law to examine into its condition or into any of its affairs, or, with like intent, willfully omitting to make a true entry of any material fact pertaining to such a cooperative corporation or interindemnity arrangement in any book, report, or statement of such a cooperative corporation or interindemnity arrangement.

(6) Making or disseminating, or causing to be made or disseminated, before the public in this state, in any newspaper or other publication, or any other advertising device, or by public outcry or proclamation, or in any other manner or means whatever, whether directly or by implication, any statement that such a cooperative corporation or interindemnity arrangement is a member of the California Insurance Guarantee Association, or insured against insolvency as defined in Section 119.5. This paragraph shall not be interpreted to prohibit any activity of the California Insurance Guarantee Association or of the commissioner authorized, directly or by implication, by Article 14.2 (commencing with Section 1063) of Chapter 1 of this part.

(7) Knowingly committing or performing with such frequency as to indicate a general business practice any of the following unfair claims settlement practices:

(A) Misrepresenting to claimants pertinent facts or provisions relating to any coverage at issue.

(B) Failing to acknowledge and act promptly upon communications with respect to claims arising under such interindemnity arrangements.

(C) Failing to adopt and implement reasonable standards for the prompt investigation and processing of claims arising under such interindemnity arrangements.

(D) Failing to affirm or deny coverage of claims within a reasonable time after proof of claim requirements have been completed and submitted by the participating member.

(E) Not attempting in good faith to effectuate prompt, fair, and equitable settlements of claims in which liability has become reasonably clear.

(F) Compelling participating members to institute litigation to recover amounts due under an interindemnity arrangement by offering substantially less than the amounts ultimately recovered in

actions brought by such participating members when such participating members have made claims under such interindemnity arrangements for amounts reasonably similar to the amounts ultimately recovered.

(G) Attempting to settle a claim by a participating member for less than the amount to which a reasonable person would have believed he or she was entitled by reference to written or printed advertising material accompanying or made part of an application for membership in such an interindemnity arrangement.

(H) Attempting to settle claims on the basis of an interindemnity arrangement which was altered without notice to the participating member.

(I) Failing, after payment of a claim, to inform participating members, upon request by them, of the coverage under which payment has been made.

(J) Making known to claimants a practice of such cooperative corporation or interindemnity arrangement of appealing from arbitration awards in favor of claimants for the purpose of compelling them to accept settlements or compromises less than the amount awarded in arbitration.

(K) Delaying the investigation or payment of claims by requiring a claimant, or his or her physician, to submit a preliminary claim report, and then requiring the subsequent submission of formal proof of loss forms, both of which submissions contain substantially the same information.

(L) Failing to settle claims promptly, where liability has become apparent, under one portion of an interindemnity arrangement in order to influence settlements under other portions of the interindemnity arrangement.

(M) Failing to provide promptly a reasonable explanation of the basis relied on in the interindemnity arrangement, in relation to the facts of applicable law, for the denial of a claim or for the offer of a compromise settlement.

(N) Directly advising a claimant not to obtain the services of an attorney.

(O) Misleading a claimant as to the applicable statute of limitations.

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

Due to an inadvertent error in Chapter 1462 of the Statutes of 1976, specific discretionary powers of the Commissioner of Corporations with respect to certain interinsurance contracts were omitted when Section 25100 was amended. To correct that error it is therefore necessary that this act take effect immediately.

CHAPTER 57

An act to amend Section 598 of the Code of Civil Procedure, relating to the trial of cases.

[Approved by Governor May 16, 1977 Filed with Secretary of State May 16, 1977]

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

SECTION 1. Section 598 of the Code of Civil Procedure is amended to read:

598. The court may, when the convenience of witnesses or the ends of justice would be promoted thereby, on motion of a party, after notice and hearing, make an order, no later than the close of pretrial conference in cases in which such pretrial conference is to be held, or, in other cases, no later than 30 days before the trial date, that the trial of any issue or any part thereof shall precede the trial of any other issue or any part thereof in the case, except for special defenses which may be tried first pursuant to Sections 597 and 597.5. Where trial of the issue of liability as to all causes of action precedes the trial of other issues or parts thereof, and the decision of the court, or the verdict of the jury upon such issue so tried is in favor of any party on whom liability is sought to be imposed, judgment in favor of such party shall thereupon be entered and no trial of other issues in the action as against such party shall be had unless such judgment shall be reversed upon appeal or otherwise set aside or vacated.

If the decision of the court, or the verdict of the jury upon the issue of liability so tried shall be against any party on whom liability is sought to be imposed, or if the decision of the court or the verdict of the jury upon any other issue or part thereof so tried does not result in a judgment being entered pursuant to this chapter, then the trial of the other issues or parts thereof shall thereafter be had at such time, and if a jury trial, before the same or another jury, as ordered by the court either upon its own motion or upon the motion of any party, and judgment shall be entered in the same manner and with the same effect as if all the issues in the case had been tried at one time.

CHAPTER 58

An act to amend Sections 6004, 6006, 6007, and 6086.5 of, to add Section 6141.1 to, and to repeal Section 6141.1 of, the Business and Professions Code, relating to State Bar.

[Approved by Governor May 16, 1977. Filed with Secretary of State May 16, 1977]

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

SECTION 1. Section 6004 of the Business and Professions Code is amended to read:

6004. Every member of the State Bar is an active member until as in Section 6007 of this code provided or at his request, he is enrolled as an inactive member.

SEC. 2. Section 6006 of the Business and Professions Code is amended to read:

6006. Active members who retire from practice shall be enrolled as inactive members at their request.

Inactive members are not entitled to hold office or vote or practice law. Those who are enrolled as inactive members at their request may, on application and payment of all fees required, become active members. Those who are enrolled as inactive members as in Section 6007 of this code provided may become active members as in said Section 6007 provided.

Inactive members have such other privileges, not inconsistent with this chapter, as the board of governors provides.

SEC. 3. Section 6007 of the Business and Professions Code is amended to read:

6007 (a) When a member requires involuntary treatment pursuant to the provisions of Article 6 (commencing with Section 5300) of Chapter 2 of Division 5 of, or Part 2 (commencing with Section 6250) of Division 6 of the Welfare and Institutions Code, or under an order pursuant to Section 3051, 3106.5 or 3152 of the Welfare and Institutions Code he has been placed in or returned to inpatient status at the California Rehabilitation Center or its branches, or he has been determined insane or mentally incompetent and is confined for treatment pursuant to the provisions of the Penal Code, or on account of his mental condition a guardian or conservator, for his estate or person or both, has been appointed, the board of governors or an officer of the State Bar shall enroll the member as an inactive member.

The clerk of the appropriate court concerned in any such proceeding shall immediately transmit to the board a certified copy of any such determination, order, or adjudication for involuntary treatment or confinement or for the appointment of a guardian or conservator.

The clerk of the appropriate court concerned shall also transmit to the State Bar a certified copy of any notice of certification for intensive treatment filed with the court pursuant to Article 4 (commencing with Section 5250) of Chapter 2 of Division 5 of the Welfare and Institutions Code.

The State Bar of California may procure a certified copy of any such determination, order, adjudication, appointment or notice when the clerk concerned has failed to transmit one or when the proceeding was had in a court other than a court of this state.

In the case of an enrollment pursuant to this subdivision (a) the

State Bar shall terminate the enrollment when the member has had the fact of his restoration to capacity judicially determined, upon the member's release from inpatient status at the California Rehabilitation Center or its branches pursuant to Section 3053, 3109 or 3151 of the Welfare and Institutions Code, or upon the member's unconditional release from the medical facility pursuant to Section 5304 or 5305 of the Welfare and Institutions Code; and on payment of all fees required.

When a member is placed in, returned to, or released from inpatient status at the California Rehabilitation Center or its branches, or discharged from the narcotics treatment program, the Director of Corrections or his designee shall transmit to the State Bar a certified notice attesting to such fact.

(b) In cases not provided for in subdivision (a), the board shall enroll a member of the State Bar as an inactive member if, after notice and opportunity to be heard before the board or a committee, the board finds that the member, because of mental infirmity or illness, or because of addiction to intoxicants or drugs, is (1) unable or habitually fails to perform his duties or undertakings competently, or is (2) unable to practice law without danger to the interests of his clients and the public. No proceeding pursuant to this subdivision shall be instituted unless the board or a committee finds, after preliminary investigation, or during the course of a disciplinary proceeding, that probable cause exists therefor.

In the case of an enrollment pursuant to this subdivision (b) the board shall terminate the enrollment upon proof that the facts found as to the member's disability no longer exist; and, on payment of all fees required.

(c) The pendency or determination of a proceeding or investigation provided for by this section shall not abate or terminate a disciplinary investigation or proceeding except as required by the facts and law in a particular case.

(d) No membership fees shall accrue against the member during the period he is enrolled as an inactive member pursuant to this section.

SEC. 4. Section 6086.5 of the Business and Professions Code is amended to read:

6086.5. The board of governors may establish one or more committees, known as disciplinary boards, to act in its place and stead in the determination of disciplinary and reinstatement proceedings and proceedings pursuant to subdivision (b) of Section 6007 to the extent provided by rules adopted by the board of governors. In such proceedings a disciplinary board may exercise the powers and authority vested in the board of governors by this chapter, except as limited by rules of the board of governors.

For the purposes of Sections 6007, 6043, 6049, 6049.2, 6050, 6051, 6052, 6077 (excluding the first sentence), 6078, 6080, 6081 and 6082, "board" includes "disciplinary board."

Nothing herein shall authorize a disciplinary board to adopt rules

of professional conduct or rules of procedure.

SEC. 5. Section 6141.1 of the Business and Professions Code is repealed.

SEC. 6. Section 6141.1 is added to the Business and Professions Code, to read:

6141.1. The payment by any member of the annual membership fee, any portion thereof, or any penalty thereon, may be waived by the board as it may provide by rule.

CHAPTER 59

An act relating to the Oakland Unified School District, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 16, 1977. Filed with Secretary of State May 16, 1977]

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

SECTION 1. Notwithstanding Section 39227 of the Education Code, the governing board of the Oakland Unified School District may continue the use of school buildings of the district, together with all structures and facilities essential to the operation thereof, which have been determined to be unsafe pursuant to Section 39212 of the Education Code, until June 30, 1977, provided that the school district certifies that 85 percent or more of all permanent school buildings of the district which have been examined and found to be unsafe will have been repaired or reconstructed in accordance with Article 5 (commencing with Section 15501) of Chapter 2 of Division 11 of the Education Code, or Article 6 (commencing with Section 39210) of Chapter 2 of Part 23 of Division 3 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976. The State Allocation Board may, upon application of the governing board, authorize the school district to continue the use of such buildings beyond June 30, 1977, if it determines that the school district has already proceeded with a plan of total repair, reconstruction or replacement in a timely manner and contracts have been let for completion of the project and work commenced thereon. In no event shall the State Allocation Board authorize the use of such unsafe facilities for a period extending beyond the completion of the replacement facilities or beyond June 30, 1978, whichever occurs first. The provisions of this section shall apply to portable buildings as well as permanent buildings, so long as such portable buildings are needed to meet temporary housing needs of the district until the repair, reconstruction or replacement of all district school buildings is complete.

SEC. 2. Due to the unique circumstances concerning the construction of replacement school facilities for the Oakland Unified

School District, and the limited nature of the exemption provided for in Section 1 of this act, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the Constitution.

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

The purpose of this act is to grant the Oakland Unified School District a reasonable extension, until June 30, 1977, to bring its school buildings up to earthquake safety standards prescribed by the so-called Field Act and permit the State Allocation Board, under specified conditions, to grant a further extension until June 30, 1978. In order that the provisions of this act may be made effective during the periods prescribed, it is necessary that the act go into immediate effect.

CHAPTER 60

An act to add Section 7154.5 to the Financial Code, and to amend Sections 16522, 16612, 53630, 53651, and 53657 of the Government Code, relating to securities, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 18, 1977 Filed with Secretary of State May 18, 1977]

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

SECTION 1. Section 7154.5 is added to the Financial Code, to read:

7154.5. An association may make loans upon the security of real property, the principal improvement upon which consists of a combination of a farm residence and property used for a commercial farming enterprise, provided such loans conform with all the following conditions in addition to any other applicable provisions of the law:

(a) Interest and principal on any such loan is payable at least annually in an amount sufficient to retire the debt, interest and principal within 25 years.

(b) The amount of any such loan does not exceed 80 percent of the appraised value of the real property securing such loan.

(c) The commercial farming enterprise shall not include hobby and vacation properties and the enterprise must be operational within a reasonable time.

(d) The farm residence is used as the principal residence of the owner of the commercial farming enterprise.

SEC. 2. Section 16522 of the Government Code is amended to read:

16522. The following securities may be received as security for

demand and time deposits:

(a) Bonds, notes, or other obligations of the United States, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

(b) Notes or bonds or any obligations of a local public agency (as defined in the United States Housing Act of 1949) or any obligations of a public housing agency (as defined in the United States Housing Act of 1937) for which the faith and credit of the United States are pledged for the payment of principal and interest.

(c) Bonds of this state or of any county, city, town, metropolitan water district, municipal utility district, municipal water district, bridge and highway district, flood control district, school district, water district, water conservation district or irrigation district within this state, and, in addition, revenue or tax anticipation notes, and revenue bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by this state, or such local agency or district, or by a department, board, agency, or authority thereof.

(d) Registered warrants of this state.

(e) Bonds, consolidated bonds, collateral trust debentures, consolidated debentures, or other obligations issued by the United States Postal Service, federal land banks or federal intermediate credit banks established under the Federal Farm Loan Act, as amended, debentures and consolidated debentures issued by the Central Bank for Cooperatives and banks for cooperatives established under the Farm Credit Act of 1933, as amended, consolidated obligations of the Federal Home Loan Banks established under the Federal Home Loan Bank Act, bonds, debentures and other obligations of the Federal National Mortgage Association and of the Government National Mortgage Association established under the National Housing Act as amended, in the bonds of any federal home loan bank established under said act, bonds, debentures, and other obligations of the Federal Home Loan Mortgage Corporation established under the Emergency Home Finance Act of 1970, and in bonds, notes, and other obligations issued by the Tennessee Valley Authority under the Tennessee Valley Authority Act, as amended.

(f) Bonds and notes of the California Housing Finance Agency issued pursuant to Chapter 7 (commencing with Section 41700) of Part 3 of Division 31 of the Health and Safety Code.

SEC. 3. Section 16612 of the Government Code is amended to read:

16612. The following securities may be received as security for deposits:

(a) Bonds, notes, or other obligations of the United States, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

(b) Notes or bonds or any obligations of a local public agency (as defined in the United States Housing Act of 1949 (42 USC Sec. 1452 et seq.)) or any obligations of a public housing agency (as defined in

the United States Housing Act of 1937) for which the faith and credit of the United States are pledged for the payment of principal and interest.

(c) Bonds of this state or of any county, city, town, metropolitan water district, municipal utility district, municipal water district, bridge and highway district, flood control district, school district, water district, water conservation district or irrigation district within this state, and, in addition, revenue on tax anticipation notes, and revenue bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by this state, or such local agency or district, or by a department, board, agency, or authority thereof.

(d) Registered warrants of this state.

(e) Bonds, consolidated bonds, collateral trust debentures, consolidated debentures, or other obligations issued by the United States Postal Service, federal land banks or federal intermediate credit banks established under the Federal Farm Loan Act, as amended, debentures and consolidated debentures issued by the Central Bank for Cooperatives and banks for cooperatives established under the Farm Credit Act of 1933, as amended, consolidated obligations of the Federal Home Loan Banks established under the Federal Home Loan Bank Act, bonds, debentures and other obligations of the Federal National Mortgage Association and of the Government National Mortgage Association established under the National Housing Act as amended, in the bonds of any federal home loan bank established under said act, bonds, debentures, and other obligations of the Federal Home Loan Mortgage Corporation established under the Emergency Home Finance Act of 1970, and in bonds, notes, and other obligations issued by the Tennessee Valley Authority under the Tennessee Valley Authority Act, as amended.

(f) Bonds and notes of the California Housing Finance Agency issued pursuant to Chapter 7 (commencing with Section 41700) of Part 3 of Division 31 of the Health and Safety Code.

SEC. 4. Section 53630 of the Government Code is amended to read:

53630. As used in this article:

(a) "Local agency" means county, city, city and county, or other public agency or corporation.

(b) "Treasurer" means treasurer of the local agency.

(c) "Depository" means a state or national bank or state or federal savings and loan association in which the moneys of a local agency are deposited.

(d) "Agent of depository" means a trust company or trust department of a state or national bank located in this state, including the trust department of a depository where authorized, and the Federal Home Loan Bank of San Francisco.

(e) "Security" means any of the eligible securities or obligations listed in Section 53651.

(f) "Pooled securities" means eligible securities held by an agent

of depository for a depository and securing deposits of one or more local agencies.

(g) "Administrator" means the Administrator of Local Agency Security of the State of California.

SEC. 5. Section 53651 of the Government Code is amended to read:

53651. Eligible securities are any of the following:

(a) United States Treasury notes, bonds, bills or certificates of indebtedness, or obligations for which the faith and credit of the United States are pledged for the payment of principal and interest, including the guaranteed portions of small business administration loans, so long as such loans are obligations for which the faith and credit of the United States are pledged for the payment of principal and interest.

(b) Notes or bonds or any obligations of a local public agency (as defined in the United States Housing Act of 1949) or any obligations of a public housing agency (as defined in the United States Housing Act of 1937) for which the faith and credit of the United States are pledged for the payment of principal and interest.

(c) Bonds of this state or of any local agency or district of the State of California having the power, without limit as to rate or amount, to levy taxes to pay the principal and interest of such bonds upon all property within its boundaries subject to taxation by such local agency or district, and in addition, sales tax revenue bonds, and revenue bonds and other obligations payable solely out of the revenues from a revenue-producing property owned, controlled or operated by such state, local agency or district or by a department, board, agency or authority thereof.

(d) Bonds of any public housing agency (as defined in the United States Housing Act of 1937, as amended) as are secured by a pledge of annual contributions under an annual contribution contract between such public housing agency and the Public Housing Administration if such contract shall contain the covenant by the Public Housing Administration which is authorized by subsection (b) of Section 22 of the United States Housing Act of 1937, as amended, and if the maximum sum and the maximum period specified in such contract pursuant to said subsection 22(b) shall not be less than the annual amount and the period for payment which are requisite to provide for the payment when due of all installments of principal and interest on such obligations.

(e) Registered warrants of this state.

(f) Bonds, consolidated bonds, collateral trust debentures, consolidated debentures, or other obligations issued by the United States Postal Service, federal land banks or federal intermediate credit banks established under the Federal Farm Loan Act, as amended, debentures and consolidated debentures issued by the Central Bank for Cooperatives and banks for cooperatives established under the Farm Credit Act of 1933, as amended, consolidated obligations of the Federal Home Loan Banks established under the Federal Home Loan Bank Act, bonds,

debentures and other obligations of the Federal National Mortgage Association or of the Government National Mortgage Association established under the National Housing Act, as amended, bonds of any federal home loan bank established under said act, bonds, debentures and other obligations of the Federal Home Loan Mortgage Corporation established under the Emergency Home Finance Act of 1970, and obligations of the Tennessee Valley Authority.

(g) Notes, tax anticipation warrants or other evidence of indebtedness issued pursuant to Article 7 (commencing with Section 53820), Article 7.5 (commencing with Section 53840) or Article 7.6 (commencing with Section 53850) of this Chapter 4.

(h) State of California notes.

(i) Bonds, notes, certificates of indebtedness, warrants or other obligations issued by: (1) any state of the United States (except this state), or the Commonwealth of Puerto Rico, or any local agency thereof having the power to levy taxes, without limit as to rate or amount, to pay the principal and interest of such obligations, or (2) any state of the United States (except this state), or the Commonwealth of Puerto Rico, or a department, board, agency or authority thereof except bonds which provide for or are issued pursuant to a law which may contemplate a subsequent legislative appropriation as an assurance of the continued operation and solvency of such department, board, agency or authority but which does not constitute a valid and binding obligation for which the full faith and credit of such state or the Commonwealth of Puerto Rico are pledged, which are payable solely out of the revenues from a revenue-producing source owned, controlled or operated thereby; provided such obligations issued by an entity described in subsection (1) are rated in one of the three highest grades, and such obligations issued by an entity described in subsection (2) are rated in one of the two highest grades by a nationally recognized investment service organization that has been engaged regularly in rating state and municipal issues for a period of not less than five years.

(j) Obligations issued or guaranteed by the International Bank for Reconstruction and Development, Inter-American Development Bank, and the Government Development Bank of Puerto Rico.

(k) Participation certificates of the Export-Import Bank of the United States.

(*l*) Bonds and notes of the California Housing Finance Agency issued pursuant to Chapter 7 (commencing with Section 41700) of Part 3 of Division 31 of the Health and Safety Code.

SEC. 6. Section 53657 of the Government Code is amended to read:

53657. Each trust company or trust department or the Federal Home Loan Bank of San Francisco intending to act as an agent of depository shall file with the administrator, on a form to be provided by the administrator, an agreement to comply in all respects with the provisions of this article. Only those trust companies and trust departments or the Federal Home Loan Bank of San Francisco filing

such agreements shall be authorized by treasurers in accordance with Section 53656 to act as agents of depository.

SEC. 7. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to implement the changes proposed by this act and to speed the economic recovery and assure the financial stability of the State of California, it is necessary that this act become effective immediately.

CHAPTER 61

An act to amend Section 25524.3 of the Public Resources Code, and to amend Section 10.7 of Chapter 320 of the Statutes of 1976, relating to the State Energy Resources Conservation and Development Commission, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 18, 1977 Filed with Secretary of State May 18, 1977]

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

SECTION 1. Section 25524.3 of the Public Resources Code is amended to read:

25524.3. No nuclear fission thermal powerplant, including any to which the provisions of this chapter do not otherwise apply, but excepting any having vested rights as defined in this section, shall be permitted land use in the state, or, where applicable, be certified by the commission until the following conditions have been met:

(a) The commission has undertaken and completed a study of the necessity for, and effectiveness and economic feasibility of, undergrounding and berm containment of nuclear reactors, and, upon completion of the study, the commission, after public hearings, has determined whether to require by rules and regulations that nuclear reactors be either undergrounded or berm contained. The commission shall complete such study and submit it to the Legislature, with conclusions and recommendations, within one year from January 1, 1977. The commission shall also submit to the Legislature, along with the study, a report indicating any staff positions and duties which will be necessary, beyond the study completion date, in order to implement the provisions of this section. Any staff position created by the commission for the purpose of implementing the provisions of this section shall be eliminated by the end of the 1977–78 fiscal years.

(b) In the event that the commission determines that undergrounding and berm containment are necessary, effective, or

economically feasible to meet the requirements of Sections 25511 and 25520, relating to enhancing the public health and safety at a site and related facility, rules and regulations implementing such findings shall be suspended for a period of one year so as to provide the Legislature with the necessary time to evaluate and verify the results of the study.

(c) In the event that the commission determines that undergrounding and berm containment are not necessary, effective, or economically feasible to meet the requirements of Sections 25511 and 25520, relating to enhancing the public health and safety at a site, no nuclear fission thermal powerplant shall be approved for one year thereafter, so as to provide the Legislature with the necessary time to evaluate the study for possible statutory implementation.

The commission shall continue to receive and process notices of intention and applications for certification pursuant to this division, but shall not issue a decision pursuant to Section 25523 granting a certificate until the requirements of this section have been met. All other permits, licenses, approvals or authorizations for the entry or use of the land, including orders of court, which may be required may be processed and granted by the governmental entity concerned but construction work to install permanent equipment or structures shall not commence until the requirements of this section have been met.

For purposes of this section, the vested right to construct a nuclear thermal powerplant shall exist if, prior to January 1, 1977, an electric utility has performed substantial construction on such powerplant and has incurred substantial expense for construction and for necessary materials for such powerplant, including, but not limited to, the following sites and facilities, with the associated estimated generating capacities:

(1) As designated in the report of the Pacific Gas and Electric Company submitted to the Public Utilities Commission on December 23, 1966, pursuant to Section 1001 of the Public Utilities Code, one nuclear thermal powerplant, having a generating capacity of 1,060 megawatts, commonly known as Diablo Canyon Unit 1, to be located in San Luis Obispo County.

(2) As designated in the report of the Pacific Gas and Electric Company submitted to the Public Utilities Commission on February 16, 1968, pursuant to Section 1001 of the Public Utilities Code, one nuclear thermal powerplant, having a generating capacity of 1,060 megawatts, commonly known as Diablo Canyon Unit 2, to be located in San Luis Obispo County.

(3) As designated in the report of the Southern California Edison Company and the San Diego Gas and Electric Company to the Public Utilities Commission on July 16, 1970, pursuant to Section 1001 of the Public Utilities Code, two nuclear thermal powerplants, having a generating capacity of 1,100 megawatts per unit, commonly known as San Onofre Unit 2 and San Onofre Unit 3, to be located in San Diego County.

Notwithstanding any provisions of this section to the contrary, the provisions of this section shall not apply to any nuclear fission thermal powerplant site and related facility for which a notice of intent has been filed pursuant to Section 25502 with, and accepted by, the commission within three years of January 1, 1977.

SEC. 2. Section 10.7 of Chapter 320 of the Statutes of 1976 is amended to read:

Sec. 10.7. The Reserve Account in the General Fund created by Item 217.1 of the Budget Act of 1975, is hereby continued in existence. Such Reserve Account consists of the unencumbered balance of any funds appropriated by Item 217.1 of the Budget Act of 1975, and the funds appropriated by Item 235 of this act. The Reserve Account is continuously appropriated to the State Energy Resources Conservation and Development Commission, to be allocated to the commission by the Director of Finance.

Provided, that the Director of Finance may allocate such amounts to the commission for cash-flow purposes under such terms and conditions as he may prescribe; provided, further, that from time to time the Director of Finance may allocate to the commission, in augmentation of Item 234 of this act, not sooner than 30 days after notification in writing of the necessity therefor to the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairman of such committee, or his designee, may in each instance determine, such amounts as may be necessary to carry out the commission's responsibility in processing notices of intent and claims of exemption pursuant to Chapter 6 (commencing with Section 25500) of Division 15 of the Public Resources Code; provided, further, that the Director of Finance may allocate, in augmentation of Item 234 of this act, an amount not to exceed one million dollars ($1,000,000), or such lesser amount as may be available, for the purpose of conducting research relating to undergrounding and berm containment of nuclear reactors as required pursuant to Chapter 195 of the Statutes of 1976; and provided, further, that the amount appropriated by this section shall not be classified by the Board of Equalization as an unappropriated balance in the special account for the purpose of establishing the surcharge rate, as provided in Section 40031 of the Revenue and Taxation Code.

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

In order that the provisions of this act may amend the Budget Act of 1976 (Ch. 320, Stats. 1976) to ensure the orderly planning and processing of applications for constructing powerplants necessary to meet demands for electricity, it is necessary that this act take immediate effect.

CHAPTER 62

An act to add Section 25913 to the Health and Safety Code, and to amend Sections 6308, 6315, 6317, 6324, 6407, 6425, 6427, 6428, 6429, and 6430 of, and to add Section 6307.1 to, the Labor Code, relating to asbestos, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 18, 1977. Filed with Secretary of State May 18, 1977.]

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

SECTION 1. Section 25913 is added to the Health and Safety Code, to read:

25913. The Division of Industrial Safety of the Department of Industrial Relations shall enforce this chapter with respect to the safety of employees as provided in Part 1 (commencing with Section 6300) of Division 5 of the Labor Code and the State Department of Health shall have the responsibility for the administration and enforcement of this chapter with respect to its environmental and public health purposes and may commence and maintain all proper and necessary actions to enjoin activities constituting violations of this chapter or to compel the performance of any act specifically required of any person, officer, or board by this chapter with respect to the environmental and public health purposes of this chapter.

SEC. 2. Section 6307.1 is added to the Labor Code, to read:

6307.1. The State Department of Health shall assist the division in the enforcement of Section 25910 of the Health and Safety Code in the manner prescribed by a written agreement between the State Department of Health and the Department of Industrial Relations, pursuant to Section 144 of the Labor Code.

SEC. 3. Section 6308 of the Labor Code is amended to read:

6308. The division, in enforcing occupational safety and health standards and orders and special orders may do any of the following:

(a) Declare and prescribe what safety devices, safeguards, or other means or methods of protection are well adapted to render the employees of every employment and place of employment safe as required by law or lawful order.

(b) Enforce Section 25910 of the Health and Safety Code and standards and orders adopted by the standards board pursuant to Chapter 6 (commencing with Section 140) of Division 1 of the Labor Code, for the installation, use, maintenance, and operation of reasonable uniform safety devices, safeguards, and other means or methods of protection, which are necessary to carry out all laws and lawful standards or special orders relative to the protection of the life and safety of employees in employments and places of employment.

(c) Require the performance of any other act which the protection of the life and safety of the employees in employments and places of

employment reasonably demands.

An employer may request a hearing on a special order or action ordered pursuant to this section, at which the employer, owner or any other person may appear and show cause why he should not comply with such order or action. The division shall conduct such hearing at the earliest possible time.

All orders, rules, regulations, findings, and decisions of the division made or entered under this part may be reviewed by the Supreme Court and the courts of appeal as may be provided by law.

SEC. 4. Section 6315 of the Labor Code is amended to read:

6315. There shall be within the division a Bureau of Investigations. The bureau shall be responsible for directing accident investigations involving violations of standards, orders, or special orders, or Section 25910 of the Health and Safety Code, in which there is a serious injury to five or more employees, death, or request for prosecution by a division representative, and for preparing cases for prosecution, including evidence and findings.

(a) The supervisor of the bureau shall be the administrative chief of the bureau.

(b) The bureau shall be staffed by as many attorneys and investigators as are necessary to carry out the purposes of this chapter.

(c) The supervisor of the bureau and such investigators as are designated by him shall have a right of access to all places of employment necessary to the investigation, may collect any evidence or samples they deem necessary to an investigation, and shall have all of the powers enumerated in Section 6314.

(d) The supervisor and investigators of the bureau may serve all processes and notices throughout the state.

(e) In any case where the bureau is required to conduct an investigation, and in which there is a serious injury or death, the results of the investigation shall be referred by the bureau to the city attorney or district attorney having jurisdiction for appropriate action.

SEC. 5. Section 6317 of the Labor Code is amended to read:

6317. If, upon inspection or investigation, the division believes that an employer has violated Section 25910 of the Health and Safety Code or any standard, rule, order, or regulation established pursuant to Chapter 6 (commencing with Section 140) of Division 1 of the Labor Code, or any standard, rule, order, or regulation established pursuant to this part, it shall with reasonable promptness issue a citation to the employer. Each citation shall be in writing and shall describe with particularity the nature of the violation, including a reference to the provision of the code, standard, rule, regulation, or order alleged to have been violated. In addition, the citation shall fix a reasonable time for the abatement of the alleged violation. The period specified for abatement shall not commence running until the date the citation or notice is received by certified mail and the certified mail receipt is signed, or if not signed, the date the return

is made to the post office. If the division officially and directly delivers the citation or notice to the employer, the period specified for abatement shall commence running on the date of such delivery.

In the event the violations found in an inspection or investigation do not have a direct relationship upon the health or safety of an employee a "notice" in lieu of citation may be issued with respect to such de minimus violations. The director shall prescribe guidelines for the issuance of such notices.

The division may impose a civil penalty against an employer as specified in Chapter 4 (commencing with Section 6423) of this part.

No citation or notice shall be issued by the division for a given violation or violations after six months have elapsed since occurrence of the violation.

The director shall prescribe procedures for the issuance of a citation or notice.

The division shall prepare and maintain records capable of supplying an inspector with previous citations and notices issued to an employer.

SEC. 6. Section 6324 of the Labor Code is amended to read:

6324. The application to the superior court accompanied by affidavit showing that such place of employment, machine, device, apparatus, or equipment is being operated in violation of a safety order or standard, or in violation of Section 25910 of the Health and Safety Code, and that such use or operation constitutes a menance to the life or safety of any person employed thereabout and accompanied by a copy of the order or standard applicable thereto is a sufficient prima facie showing to warrant, in the discretion of the court, the immediate granting of a temporary restraining order. No bond shall be required from the division as a prerequisite to the granting of any restraining order.

SEC. 7. Section 6407 of the Labor Code is amended to read:

6407. Every employer and every employee shall comply with occupational safety and health standards, with Section 25910 of the Health and Safety Code, and with all rules, regulations, and orders pursuant to this division which are applicable to his own actions and conduct.

SEC. 8. Section 6425 of the Labor Code is amended to read:

6425. Any employer, and every employee having direction, management, control, or custody of any employment, place of employment, or other employee, who willfully violates any occupational safety or health standard, order, or special order, or Section 25910 of the Health and Safety Code, and that violation caused death to any employee, or caused permanent or prolonged impairment of the body of any employee, shall, upon conviction, be punished by a fine of not more than ten thousand dollars ($10,000), or by imprisonment for not more than six months, or by both; except that if the conviction is for a violation committed after a first conviction of such person, punishment shall be by a fine of not more than twenty thousand dollars ($20,000) or by imprisonment for not

more than one year, or by both. Nothing in this section shall prohibit a prosecution under Section 192 of the Penal Code, rather than under this section, for the death of an employee. However, no person may be prosecuted under both this section and Section 192 of the Penal Code for the same act or omission.

SEC. 9. Section 6427 of the Labor Code is amended to read:

6427. Any employer who violates any occupational safety or health standard, order, or special order, or Section 25910 of the Health and Safety Code, and such violation is specifically determined not to be of a serious nature, may be assessed a civil penalty of up to one thousand dollars ($1,000) for each such violation.

SEC. 10. Section 6428 of the Labor Code is amended to read:

6428. Any employer who violates any occupational safety or health standard, order, or special order, or Section 25910 of the Health and Safety Code, if that violation is a serious violation, shall be assessed a civil penalty of up to one thousand dollars ($1,000) for each such violation.

SEC. 11. Section 6429 of the Labor Code is amended to read:

6429. Any employer who willfully or repeatedly violates any occupational safety or health standard, order, or special order, or Section 25910 of the Health and Safety Code, may be assessed a civil penalty of not more than ten thousand dollars ($10,000) for each violation.

SEC. 12. Section 6430 of the Labor Code is amended to read:

6430. Any employer who fails to correct a violation of any occupational safety or health standard, order, or special order, or Section 25910 of the Health and Safety Code, within the period permitted for its correction may be assessed a civil penalty of not more than one thousand dollars ($1,000) for each day during which such failure or violation continues.

SEC. 13. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Because of health hazards involved in the use of asbestos, it is essential that enforcement authority be clarified at the earliest opportunity and, consequently, it is necessary that this act take effect immediately

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CHAPTER 63

An act to repeal Sections 3041 and 3042 of the Fish and Game Code, relating to transportation of doves.

[Approved by Governor May 18, 1977 Filed with Secretary of State May 18, 1977]

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

SECTION 1. Section 3041 of the Fish and Game Code is repealed.
SEC. 2. Section 3042 of the Fish and Game Code is repealed.

CHAPTER 64

An act to repeal Article 2.6 (commencing with Section 12539.9) of Chapter 6 of Part 2 of Division 3 of Title 2 of the Government Code, to add Article 10 (commencing with Section 1399.60) to Chapter 2.2 of Division 2 of the Health and Safety Code, and to amend Sections 10123.1, 10128, 10128.1, 10128.3, and 10128.4 of, to amend the heading of Article 1.5 (commencing with Section 10128) of Chapter 1 of Part 2 of Division 2 of, to add Section 10128.2 to, and to repeal Section 10128.2 of, the Insurance Code, relating to insurance, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 18, 1977. Filed with Secretary of State May 18, 1977]

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

SECTION 1. Article 2.6 (commencing with Section 12539.9) of Chapter 6 of Part 2 of Division 3 of Title 2 of the Government Code is repealed.

SEC. 2. Article 10 (commencing with Section 1399.60) is added to Chapter 2.2 of Division 2 of the Health and Safety Code, to read:

Article 10. Discontinuance and Replacement of Group Health Care Service Plan Contracts

1399.60. The provisions of this article shall apply to all group health care service contracts issued in this state pursuant to this chapter.

1399.61. In this article, unless the context otherwise requires:

(a) "Carrier" shall mean the health care service plan or other entity responsible for the payment of benefits or provision of services under a group contract.

(b) "Dependent" shall have the meaning set forth in a contract.

(c) "Discontinuance" shall mean the termination of a contract or the termination of coverage for an entire employer unit under a contract.

(d) "Employee" shall mean all agents, employees, and members of unions or associations to whom benefits are provided under a contract.

(e) "Extension of benefits" means the continuation of coverage under a particular benefit provided under a contract following discontinuance with respect to an employee or dependent who is totally disabled on the date of discontinuance.

(f) "Contract" shall mean any group health care service plan or

contract subject to the provisions of this article.

(g) "Contractholder" shall mean the entity to which a contract is issued.

(h) "Dues" shall mean the consideration payable to the carrier.

(i) "Replacement coverage" shall mean the benefits provided by a succeeding carrier.

(j) "Totally disabled" shall have the meaning set forth in a contract.

1399.62. (a) Every contract containing hospital, medical, or surgical expense benefits or service benefits shall contain a reasonable extension of such benefits upon discontinuance of the contract with respect to employees or dependents who become totally disabled while enrolled under the contract on or after the date this article becomes applicable to such contract and who continue to be totally disabled at the date of discontinuance of the contract.

(b) Every contract providing hospital, medical or surgical expense benefits or service benefits shall be deemed to include a reasonable extension of such benefits upon discontinuance of the contract if it provides benefits for covered services directly relating to the condition causing total disability existing at the time dues payments cease for the employee or dependent and incurred during a period of not less than 12 months thereafter, which period shall not be interrupted by discontinuance of the contract.

Any extension of benefits may be terminated at such time as the employee or dependent is no longer totally disabled or at such time as coverage for the employee or dependent becomes effective under any replacement contract or policy without limitation as to the disabling condition.

(c) The services provided during any extension of benefits may be subject to all limitations or restrictions contained in the contract.

1399.63. (a) Any carrier providing replacement coverage with respect to hospital, medical or surgical expense or service benefits within a period of 60 days from the date of discontinuance of a prior contract or policy providing such hospital, medical or surgical expense or service benefits shall immediately cover all employees and dependents who were validly covered under the previous contract or policy at the date of discontinuance and are within the definitions of eligibility under the succeeding carrier's contract and who would otherwise be eligible for coverage under the succeeding carrier's contract, regardless of any provisions of the contract relating to active full-time employment or hospital confinement or pregnancy.

(b) Until an employee or dependent entitled to coverage under a succeeding carrier's contract pursuant to subdivision (a) of this section qualifies for full benefits by meeting all effective date requirements of the succeeding carrier's contract, the level of benefits shall not be lower than the benefits provided under the prior carrier's contract or policy reduced by the amount of benefits paid by the prior carrier. Such employee or dependent shall continue to

be covered by the succeeding carrier until the earlier of the following dates:

(1) The date coverage would terminate for an employee or dependent in accordance with the provisions of the succeeding carrier's contract, or

(2) In the case of an employee or dependent who was totally disabled on the date of discontinuance of the prior carrier's contract or policy and entitled to an extension of benefits pursuant to subdivision (d) of Section 10128.2 of the Insurance Code or subdivision (b) of Section 1399.62, the date the period of extension of benefits terminates or, if the prior carrier's contract or policy is not subject to this article, the date to which benefits would have been extended had the prior carrier's contract or policy been subject to this article.

(c) No provision in a succeeding carrier's contract of replacement coverage which would operate to reduce or exclude benefits on the basis that the condition giving rise to benefits preexisted the effective date of the succeeding carrier's contract shall be applied with respect to those employees and dependents validly covered under the prior carrier's contract or policy on the date of discontinuance, except to the extent that benefits for such condition would have been reduced or excluded under the prior carrier's contract or policy.

(d) In a situation where a determination of the prior carrier's benefit is required by the succeeding carrier, at the succeeding carrier's request, the prior carrier shall furnish a statement of benefits available or pertinent information, sufficient to permit verification of the benefit determination by the succeeding carrier.

1399.64. This article shall apply to all contracts issued, delivered, amended, or renewed in this state after January 1, 1977. A policy subject to the provisions of this article which is issued, delivered, amended as to benefits, or renewed in this state on or after the effective date of amendments to this article made at the 1977–1978 Regular Session of the Legislature shall be construed to be in compliance with the provisions of this article and such amendments to this article.

SEC. 3. Section 10123.1 of the Insurance Code is amended to read:

10123.1. Every self-insured employee welfare benefit plan, as defined in Section 10121, issued, amended as to benefits, or renewed after January 1, 1977, shall comply with the requirements of Article 1.5 (commencing with Section 10128) of this chapter.

SEC. 4. The heading of Article 1.5 (commencing with Section 10128) of Chapter 1 of Part 2 of Division 2 of the Insurance Code is amended to read:

Article 1.5. Discontinuance of Group Life Insurance and Discontinuance and Replacement of Group Disability Insurance

SEC. 5. Section 10128 of the Insurance Code is amended to read:

10128. The provisions of this article shall apply to all policies of group life insurance issued in this state pursuant to the provisions of Sections 10202, 10202.7, 10202.8, 10203 and 10203.7, to all group disability policies issued in this state pursuant to the provisions of Section 10270.5, to any group nonprofit hospital service contract issued in this state pursuant to the provisions of Section 11512.2, and to any self-insured welfare benefit plan issued in this state as defined in Section 10121.

SEC. 6. Section 10128.1 of the Insurance Code is amended to read:

10128.1. In this article, unless the context otherwise requires:

(a) "Carrier" means the insurance company, nonprofit hospital service corporation, or other entity responsible for the payment of benefits or provision of services under a policy.

(b) "Dependent" shall have the meaning set forth in a policy.

(c) "Discontinuance" means the termination of a policy or the termination of coverage for an entire employer unit under a policy.

(d) "Employee" means all agents, employees, and members of unions or associations to whom benefits are provided under a policy.

(e) "Extension of benefits" means the continuation of coverage under a particular benefit provided under a policy following discontinuance with respect to an employee or dependent who is totally disabled on the date of discontinuance.

(f) "Policy" means any group insurance policy, group hospital service contract or other plan, contract or policy subject to the provisions of this article.

(g) "Policyholder" means the entity to which a policy or contract specified in Section 10128 is issued.

(h) "Premium" means the consideration payable to the carrier.

(i) "Replacement coverage" means the benefits provided by a succeeding carrier.

(j) "Totally disabled" shall have the meaning set forth in a policy.

SEC. 7. Section 10128.2 of the Insurance Code is repealed.

SEC. 8. Section 10128.2 is added to the Insurance Code, to read:

10128.2. Every policy containing a life insurance benefit shall contain a reasonable extension of such benefit upon discontinuance of the policy with respect to employees who become totally disabled while insured under the policy on or after the date this article becomes applicable to such policy and who continue to be totally disabled at the date of discontinuance of the policy. Every policy containing a loss of time benefit, a specific indemnity during hospital confinement, or a hospital, medical, or surgical expense benefit shall contain a reasonable extension of such benefits upon discontinuance of the policy with respect to employees or dependents who become totally disabled while insured under the policy on or after the date this article becomes applicable to such policy and who continue to be totally disabled at the date of discontinuance of the policy.

(a) Every policy containing a life insurance benefit which does not contain a disability benefit provision of any type (e.g. premium waiver extension, extended death benefit in event of total disability,

or payment of income for a specified period during total disability), shall be deemed to include a reasonable extension of benefits upon discontinuance of the policy if it provides the totally disabled employee the same rights of conversion to an individual life insurance policy at the time of discontinuance of the policy that such employee would have had if his employment or association membership had terminated on the same date.

The rights of conversion specified above need not be provided with regard to any amount of insurance for which the employee becomes insured under any replacement coverage.

(b) Every policy containing a life insurance benefit which contains a disability benefit provision of any type shall be deemed to include a reasonable extension of benefits upon discontinuance of the policy if it provides:

(1) Such discontinuance does not affect the disability benefit; and

(2) The rights of conversion described in (a) above shall apply to the amount the individual is insured for at the termination of the disability benefit unless the disability benefit is a payment of income for a specified period, in which event the rights of conversion would apply to the amount of life insurance, if any, remaining after the payment of income; and

(3) With respect to any amounts of life insurance provided under the policy to which no disability benefit provision applies, the rights of conversion described in (a) above shall apply.

No extension of life insurance under either a disability benefit or the rights of conversion specified above need be provided with regard to any amount of insurance for which the employee becomes insured under any replacement coverage.

(c) Every policy providing benefits for loss of time or a specific indemnity during hospital confinement, shall be deemed to include a reasonable extension of such benefits upon discontinuance of the policy if such discontinuance does not affect the benefit provided.

(d) Every policy providing hospital, medical or surgical expense benefits shall be deemed to include a reasonable extension of such benefits upon discontinuance of the policy if it provides benefits for covered expenses directly relating to the condition causing total disability existing at the time premium payments for the employee or dependent cease and incurred during a period of not less than 12 months thereafter, which period shall not be interrupted by discontinuance of the policy.

Any extension of benefits may be terminated at such time as the employee or dependent is no longer totally disabled or at such time as coverage for the employee or dependent becomes effective under any replacement policy without limitation as to the disabling condition.

(e) The benefits payable during any extension of benefits may be subject to all limitations or restrictions contained in the policy.

SEC. 9. Section 10128.3 of the Insurance Code is amended to read:

10128.3. (a) Any carrier providing replacement coverage with

respect to hospital, medical or surgical expense benefits within a period of 60 days from the date of discontinuance of a prior policy providing such hospital, medical or surgical expense benefits shall immediately cover all employees and dependents who were validly covered under the previous policy at the date of discontinuance and are within the definitions of eligibility under the succeeding carrier's policy and who would otherwise be eligible for coverage under the succeeding carrier's policy, regardless of any provisions of the policy relating to active full time employment or hospital confinement or pregnancy.

(b) Until an employee or dependent entitled to coverage under a succeeding carrier's policy pursuant to subdivision (a) of this section qualifies for full benefits by meeting all effective date requirements of the succeeding carrier's policy, the level of benefits shall not be lower than the benefits provided under the prior carrier's policy reduced by the amount of benefits paid by the prior carrier. Such employee or dependent shall continue to be covered by the succeeding carrier until the earlier of the following dates:

(1) The date coverage would terminate for an employee or dependent in accordance with the provisions of the succeeding carrier's policy, or

(2) In the case of an employee or dependent who was totally disabled on the date of discontinuance of the prior carrier's policy and entitled to an extension of benefits pursuant to subdivision (b) of Section 1399.62 of the Health and Safety Code, or subdivision (d) of Section 10128.2, the date the period of extension of benefits terminates, or, if the prior carrier's policy is not subject to this article, the date to which benefits would have been extended had the prior carrier's policy been subject to this article.

(c) No provision in a succeeding carrier's policy of replacement coverage which would operate to reduce or exclude benefits on the basis that the condition giving rise to benefits preexisted the effective date of the succeeding carrier's policy shall be applied with respect to those employees and dependents validly insured under the prior carrier's policy on the date of discontinuance, except to the extent that benefits for such condition would have been reduced or excluded under the prior carrier's policy.

(d) In a situation where a determination of the prior carrier's benefit is required by the succeeding carrier, at the succeeding carrier's request, the prior carrier shall furnish a statement of benefits available or pertinent information, sufficient to permit verification of the benefit determination by the succeeding carrier.

SEC. 10. Section 10128.4 of the Insurance Code is amended to read:

10128.4. This article shall apply to all policies issued, delivered, amended, or renewed in this state after January 1, 1977. A policy subject to the provisions of this article which is issued, delivered, amended as to benefits, or renewed in this state on or after the effective date of amendments to this article made at the 1977–1978 Regular Session of the Legislature shall be construed to be in

compliance with the provisions of this article and such amendments to this article.

SEC. 11. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

It was the intent of the Legislature in enacting Chapter 1225 of the Statutes of 1975 to include group insurance plans and plans under the Knox-Keene Health Care Service Plan Act of 1975. In order to avoid any possible ambiguity, it is necessary that this act take effect immediately.

CHAPTER 65

An act making an appropriation for tort liability insurance premium payments by the State of California, and in this connection augmenting and supplementing Item 49 of the Budget Act of 1976, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 20, 1977 Filed with Secretary of State May 20, 1977]

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

SECTION 1. The sum of eight hundred sixty-eight thousand dollars ($868,000) is hereby appropriated from the General Fund to the Department of Finance for payment of tort liability insurance premiums during the 1976–77 fiscal year, in augmentation of Item 49 of the Budget Act of 1976.

The reimbursement due from special funds, pursuant to Item 49 of the Budget Act of 1976, for the share of those state agencies supported from such funds of the cost of the state's tort liability insurance premium shall not exceed, for each respective fund, the proportional percentage that each such fund bears to the total amount budgeted for State Operations and Capital Outlay in the 1976–77 fiscal year, and the total amount of such reimbursement for the 1976–77 fiscal year shall not exceed three hundred twenty-five thousand six hundred twelve dollars ($325,612)

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

In order to continue existing tort liability insurance for the State of California and to meet the increased costs for such coverage, it is necessary that this act go into immediate effect

CHAPTER 66

An act to amend Section 39317 of the Education Code, and to amend Section 53651.5 of the Government Code, relating to school property, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 20, 1977 Filed with Secretary of State May 20, 1977]

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

SECTION 1. Section 39317 of the Education Code is amended to read:

39317. All such bonds, notes, warrants or other evidences of indebtedness referred to in Section 39316 and the interest thereon, and all bonds, notes, warrants, or other evidences of indebtedness issued to refinance any such bonds, notes, warrants, or other evidences of indebtedness referred to in Section 39316 and the interest thereon, are exempt from all taxation in the state other than inheritance, gift and franchise taxes.

SEC. 2. Section 53651.5 of the Government Code is amended to read:

53651.5. Eligible securities are also any bonds, notes, warrants, or other evidences of indebtedness of a nonprofit corporation issued to finance the construction of a school building or school buildings pursuant to a lease or agreement with a school district entered into in compliance with the provisions of Section 39315 or 81345 of the Education Code, and also any bonds, notes, warrants or other evidences of indebtedness issued to refinance any such bonds, notes, warrants, or other evidences of indebtedness as specified in Section 39317 of the Education Code.

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

School districts throughout the state have entered into leases of public school buildings from nonprofit corporations pursuant to Section 39315 of the Education Code. These nonprofit corporations have issued bonds the interest on which is exempt from all taxation in the State of California other than inheritance, gift, and franchise taxes. Lower interest rates on municipal bonds are now generally prevailing, and school districts throughout the state are either contemplating the issuance of, or are proceeding toward, the issuance of nonprofit corporation refunding bonds to refund at a lower rate of interest outstanding nonprofit corporation bonds exempt from taxation pursuant to Section 39316 of the Education Code. By providing that the interest on any bonds, notes, warrants, or other evidences of indebtedness of a nonprofit corporation issued

to refund any bonds, notes, warrants, or other evidences of indebtedness of a nonprofit corporation issued to finance school buildings shall be exempt from California taxes and by providing that such refunding bonds, notes, warrants, or other evidences of indebtedness are eligible to secure deposits of public funds, this act will enable the school districts to reduce the interest cost connected with financing school buildings pursuant to Section 39315 of the Education Code. This act will allow refunding bonds of nonprofit corporations issued during the currently favorable municipal bond market to achieve the lowest possible interest rate, and thus will result in substantial savings to the school districts and their taxpayers throughout the state. Therefore, it is necessary that this act take effect immediately.

CHAPTER 67

An act to amend Section 137 of the Penal Code, relating to witnesses.

[Approved by Governor May 23, 1977. Filed with Secretary of State May 23, 1977]

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

SECTION 1. Section 137 of the Penal Code is amended to read:

137. (a) Every person who gives or offers, or promises to give, to any witness, or person about to be called as a witness, any bribe, upon any understanding or agreement that the testimony of such witness shall be thereby influenced is guilty of a felony.

(b) Every person who attempts by force or threat of force or by the use of fraud to induce any person to give false testimony or withhold true testimony is guilty of a felony.

As used in this subdivision, "threat of force" means a credible threat of unlawful injury to any person or property which is communicated to a person for the purpose of inducing him to give false testimony or withhold true testimony.

(c) Every person who knowingly induces another person to give false testimony or withhold true testimony is guilty of a misdemeanor.

CHAPTER 68

An act relating to school buildings, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 23, 1977. Filed with Secretary of State May 23, 1977]

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

SECTION 1. The governing board of a school district which has leased facilities for a continuation high school for at least three years prior to July 1, 1977, may continue to use such facilities until the completion of replacement facilities or until September 1, 1978, whichever occurs first, and such leased facilities shall not be subject to Article 3 (commencing with Section 39140) or Article 6 (commencing with Section 39210) of Chapter 2 of Part 23 of Division 3 of Title 2 of the Education Code.

This section shall apply only to a unified school district which had an average daily attendance of less than 11,000 in the 1975–76 fiscal year and the governing board of which, during the 1977 calendar year and prior to the effective date of this act, has voted to commit the use of district funds for the purchase of a site and the construction thereon of a permanent facility for a continuation high school.

This section shall remain in effect until September 1, 1978, and as of that date is repealed.

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

In order to permit the use of highly functional facilities to continue for a continuation high school until new facilities may be constructed under as yet to be completed plans, thus, avoiding harm to presently functioning successful programs and their student participants, it is necessary that this act take effect immediately.

CHAPTER 69

An act to add Title 1.1A (commencing with Section 1739) to Part 4 of Division 3 of the Civil Code, relating to regulation of transactions.

[Became law without Governor's signature May 24, 1977 Filed with Secretary of State May 24, 1977]

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

SECTION 1. Title 1.1A (commencing with Section 1739) is added to Part 4 of Division 3 of the Civil Code, to read:

TITLE 1.1A. SALE AND MANUFACTURE OF POLITICAL ITEMS

1739. No person shall sell, advertise for sale, or offer for sale any political item which is purported to be an original political item but which is not in fact an original political item.

1739.1. For purposes of this title, a "political item" is any button,

ribbon, poster, sticker, literature, or advertising concerning any candidate or ballot proposition in any electoral campaign.

1739.2. For purposes of this title, an "original political item" is any political item produced during any electoral campaign for use in support of or in opposition to any candidate or ballot proposition before the voters in that campaign.

1739 3. No political item which is labeled "copy" or "reproduction" at the time of sale, advertising for sale, or offering for sale shall violate Section 1739.

1739.4. (a) A person who offers or sells any political item in violation of this title shall be liable to the person purchasing such political item from him, who may sue to recover the consideration paid for the political item, with interest at the legal rate thereon, upon the tender of the political item.

(b) In any case in which a person knowingly offers or sells a political item in violation of this title, the person purchasing such political item may recover from the person who offers or sells such political item an amount equal to three times the amount required under subdivision (a).

(c) No action shall be maintained to enforce any liability under this section unless brought within one year after discovery of the violation upon which it is based and in no event more than three years after the political item was sold.

CHAPTER 70

An act to amend Sections 21380, 21382.5, and 21402 of, to add Section 20750.11 to, and to repeal Sections 20024, 20024.4, and 21251.14 of, the Government Code, relating to the Public Employees' Retirement System.

[Approved by Governor May 23, 1977 Filed with Secretary of State May 24, 1977]

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

SECTION 1. Section 20024 of the Government Code is repealed.

SEC. 2. Section 20024.4 of the Government Code is repealed.

SEC. 3. Section 20750.11 is added to the Government Code, to read:

20750.11. In addition to any and all other contributions to the Public Employees' Retirement Fund, the state shall contribute 0.13 percent of the compensation paid state members, other than school members, for insurance benefits under Article 7 (commencing with Section 21400) of Chapter 9 of this part and during a period of insurance such contribution shall be credited to the Insurance Benefits Account The board shall, pursuant to actuarial valuation of the fund in accordance with this part, adjust such rate effective with the beginning of a fiscal year as is determined to be necessary to fund

the portion of the insurance benefit prescribed in subdivision (a) of Section 21405. In the event the period of insurance is not continued, the state shall pay to such account any deficiency in the account as of the end of the fiscal year.

SEC. 4. Section 21251.14 of the Government Code is repealed.

SEC. 5. Section 21380 of the Government Code is amended to read:

21380. "Survivor allowance" means the allowance provided for in Sections 21382 and 21382.2.

SEC. 6. Section 21382.5 of the Government Code is amended to read:

21382.5. For the purposes of Sections 21382 and 21382.2, a person shall be considered to be under the age of 18 if he is under the age of 22 and a full-time student.

SEC. 7. Section 21402 of the Government Code is amended to read:

21402. The board shall transfer annually on July 1 during any period of insurance from accumulated state contributions on account of current service to the Insurance Benefits Account the amount estimated to be necessary for payment during that fiscal year, of the portion of the insurance benefit prescribed in subdivision (b) of Section 21405 plus any deficiency in the transfer for the previous fiscal year for such purpose.

CHAPTER 71

An act to amend Section 85 of the Code of Civil Procedure, relating to judgments.

[Approved by Governor May 23, 1977. Filed with Secretary of State May 24, 1977.]

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

SECTION 1. Section 85 of the Code of Civil Procedure is amended to read:

85. If the judgment or order in a municipal court or justice court in any action or proceeding in which the defendant has appeared is for the payment of money by the defendant, he shall pay the same immediately or at any time and upon such terms and conditions, including installment payments, which the court may prescribe. The court may amend the terms and conditions for payment of the judgment or order at any time to provide for installment payments for good cause upon motion by a party and notice to all affected parties, regardless of the nature of the underlying debt and regardless whether the moving party appeared before entry of such judgment or order. In any determination regarding the imposition of terms and conditions upon the payment of the judgment, the court shall consider any factors which would be relevant to the determination of a claim for exemption pursuant to Chapter 1

(commencing with Section 681) of Title 9 of Part 2 or the examination of a debtor pursuant to Chapter 2 (commencing with Section 714) of Title 9 of Part 2.

CHAPTER 72

An act to amend Sections 4511 and 4531 of the Business and Professions Code, and to add Sections 4315 and 4316 to the Welfare and Institutions Code, relating to mental health, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 24, 1977. Filed with Secretary of State May 24, 1977]

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

SECTION 1. Section 4511 of the Business and Professions Code is amended to read

4511. An applicant for a psychiatric technician's license shall have the following qualifications:

(a) Be at least 18 years of age.

(b) Have successfully completed an approved general education course of study through the 12th grade or the equivalent thereof as determined by the board.

(c) Have successfully completed a prescribed course of study and training of at least 12 months in length in a school accredited by the board, which course of study and training shall combine the nursing knowledge and skills necessary for the care of any ill person and in addition those special skills necessary for the care of the mentally disabled or the developmentally disabled, or have completed a course of study and training which in the opinion of the board is equivalent to the minimum requirements of an accredited program for psychiatric technicians in the state. Clinical inpatient experience shall be an integral part of any such prescribed or equivalent course of study and training. Such experience shall be obtained in a state hospital, except where the board finds that such requirement is not feasible due either to the distance of a state hospital from the school or the unavailability, as determined by the State Department of Health, of state hospital clinical training placements.

(d) Have committed no act which, if committed by a licensed psychiatric technician, would be ground for disciplinary action

SEC 2. Section 4531 of the Business and Professions Code is amended to read:

4531. The course of instruction of an accredited school shall consist of not less than the number of hours of instruction required for the other program administered by the board. The subjects of instruction shall include the principles of the care of the mentally disabled and the developmentally disabled. Clinical inpatient

experience shall be an integral part of any such prescribed or equivalent course of study and training. Such experience shall be obtained in a state hospital, except where the board finds that such requirement is not feasible due either to the distance of a state hospital from the school or the unavailability, as determined by the State Department of Health, of state hospital clinical training placements.

SEC. 3. Section 4315 is added to the Welfare and Institutions Code, to read:

4315. To assure a continuous level of competency for all state hospital treatment personnel, the State Department of Health shall provide adequate in-service training programs for state hospital treatment personnel.

SEC. 4. Section 4316 is added to the Welfare and Institutions Code, to read:

4316. To assure an adequate supply of licensed psychiatric technicians for state hospitals, the State Department of Health, to the extent necessary, shall establish in state hospitals a course of study and training equivalent, as determined by the Board of Vocational Nurse and Psychiatric Technician Examiners, to the minimum requirements of an accredited program for psychiatric technicians in the state. No unlicensed psychiatric technician trainee shall be permitted to perform the duties of a licensed psychiatric technician as provided by Section 4502 of the Business and Professions Code unless such trainee performs such duties pursuant to a plan of supervision approved by the Board of Vocational Nurse and Psychiatric Technician Examiners as part of the equivalency trainee program. This section shall not be construed to reduce the effort presently expended by the community college system or private colleges in training psychiatric technicians.

SEC. 5. It is the intent of the Legislature that the State Department of Health adopt staffing standards for state hospitals serving persons with mental disabilities which will assure the maximum personal growth of those served. The State Department of Health shall submit by June 1, 1977, a preliminary report to the Legislature on the results of a pilot study of standards relating to programs for the mentally disabled developed by the staffing study known as Program Review Unit, Number 72. By September 1, 1977, the department shall submit a final report to the Legislature on the results of the pilot study. After such date, the department shall inform the Legislature of any proposed modifications to such standards. Nothing in this section shall modify or supersede the reporting requirements relating to staffing standards for the developmentally disabled enacted by Chapter 1364 of the Statutes of 1976.

All state hospitals for the mentally disabled and developmentally disabled shall be staffed to meet the standards of Program Review Unit, Number 72 or any modified version of such standards. Such standards or modified version shall be fully implemented by June 30, 1980.

The State Department of Health shall prepare and submit a preliminary report to the Legislature by September 1, 1977, on the adequacy of the Program Review Unit, Number 72 standards, or any modified version of such standards, as they relate to standards for psychiatric facilities and for residential facilities for the developmentally disabled adopted by the Joint Commission on Hospital Accreditation and the action taken on staffing state hospitals to meet the standards of the Program Review Unit, Number 72, or modified version of such standards. Annually thereafter the department shall prepare and submit to the Legislature an updated report until the Program Review Unit Number 72 standards, or modified version of such standards, are fully implemented.

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

In order to establish safeguards for state hospitals, it is necessary that this act go into effect at the earliest possible date.

CHAPTER 73

An act to amend Sections 22651, 22653, and 22654 of, and to repeal Sections 22652 and 22657 of, the Vehicle Code, relating to vehicles.

[Approved by Governor May 25, 1977. Filed with Secretary of State May 25, 1977]

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

SECTION 1. Section 22651 of the Vehicle Code is amended to read:

22651. Any member of the California Highway Patrol; any regularly employed and salaried deputy of the sheriff's office of a county in which a vehicle is located; any regularly employed and salaried officer of a police department in a city in which a vehicle is located; any regularly employed and salaried officer of the University of California Police Department on or about a campus or in or about other grounds or properties owned, operated, controlled, or administered by the Regents of the University of California on or in which a vehicle is located; any regularly employed and salaried officer of a California state university and college police department on or about a campus or in or about other grounds or properties owned, operated, controlled, or administered by the Trustees of the California State University and Colleges on or in which a vehicle is located; or any regularly employed and salaried employee, who is engaged in directing traffic or enforcing parking laws and regulations, of a city or a county in which a vehicle is located; may remove a vehicle from a highway under any of the following circumstances:

(a) When any vehicle is left unattended upon any bridge, viaduct, or causeway or in any tube or tunnel where the vehicle constitutes an obstruction to traffic.

(b) When any vehicle is parked or left standing upon a highway in such a position as to obstruct the normal movement of traffic or in such a condition as to create a hazard to other traffic upon the highway.

(c) When any vehicle is found upon a highway and report has previously been made that the vehicle has been stolen or complaint has been filed and a warrant thereon issued charging that the vehicle has been embezzled.

(d) When any vehicle is illegally parked so as to block the entrance to a private driveway and it is impractical to move such vehicle from in front of the driveway to another point on the highway.

(e) When any vehicle is illegally parked so as to prevent access by firefighting equipment to a fire hydrant and it is impracticable to move such vehicle from in front of the fire hydrant to another point on the highway.

(f) When any vehicle, except any highway maintenance or construction equipment, is left unattended for more than four hours upon the right-of-way of any freeway which has full control of access and no crossings at grade.

(g) When the person or persons in charge of a vehicle upon a highway are by reason of physical injuries or illness incapacitated to such an extent as to be unable to provide for its custody or removal.

(h) When an officer arrests any person driving or in control of a vehicle for an alleged offense and the officer is by this code or other law required or permitted to take, and does take, the person arrested before a magistrate without unnecessary delay.

(i) When any vehicle registered in a foreign jurisdiction is found upon a highway and it is known to have been issued five or more notices of parking violation over a period of five or more days, to which the owner or person in control of the vehicle has not responded, the vehicle may be impounded until such person furnishes to the impounding law enforcement agency evidence of his identity and an address within this state at which he can be located. A notice of a parking violation issued to such vehicle shall be accompanied by a warning that repeated violations may result in the impounding of the vehicle.

(j) When any vehicle is found illegally parked and there are no license plates or other evidence of registration displayed, the vehicle may be impounded until the owner or person in control of the vehicle furnishes the impounding law enforcement agency evidence of his identity and an address within this state at which he can be located.

(k) When any vehicle is parked or left standing upon a highway for 72 or more consecutive hours in violation of a local ordinance authorizing removal.

(*l*) When any vehicle is illegally parked on a highway in violation

of any local ordinance forbidding standing or parking and the use of a highway or a portion thereof is necessary for the cleaning, repair, or construction of the highway, or for the installation of underground utilities, and signs giving notice that such a vehicle may be removed are erected or placed at least 24 hours prior to the removal by local authorities pursuant to the ordinance.

(m) Wherever the use of the highway or any portion thereof is authorized by local authorities for a purpose other than the normal flow of traffic or for the movement of equipment, articles, or structures of unusual size, and the parking of any vehicle would prohibit or interfere with such use or movement, and signs giving notice that such a vehicle may be removed are erected or placed at least 24 hours prior to the removal by local authorities pursuant to the ordinance.

(n) Whenever any vehicle is parked or left standing where local authorities by resolution or ordinance have prohibited such parking and have authorized the removal of vehicles. No vehicle may be removed unless signs are posted giving notice of the removal.

SEC. 2. Section 22652 of the Vehicle Code is repealed.

SEC. 3. Section 22653 of the Vehicle Code is amended to read:

22653. Any peace officer, other than an employee directing traffic or enforcing parking laws and regulations, specified in Section 22651 may remove a vehicle from private property when the vehicle is found on private property and a report has previously been made that the vehicle has been stolen or a complaint has been filed and a warrant thereon issued charging that the vehicle has been embezzled.

SEC. 4. Section 22654 of the Vehicle Code is amended to read:

22654. (a) Whenever any peace officer or other employee directing traffic or enforcing parking laws and regulations, as specified in Section 22651, finds a vehicle standing upon a highway in violation of Sections 22500 and 22504, the officer or employee may move the vehicle or require the driver or other person in charge of the vehicle to move it to the nearest available position off the roadway or to the nearest parking location, or may remove and store the vehicle if moving it off the roadway to a parking location is impracticable.

(b) Whenever such an officer or employee finds a vehicle standing upon a street in violation of a traffic ordinance enacted by local authorities to prevent flooding of adjacent property, he or she may move the vehicle or require the driver or person in charge of the vehicle to move it to the nearest available location in the vicinity where parking is permitted.

(c) Any state, county, or city authority charged with the maintenance of any highway may move any vehicle which is disabled or abandoned or which constitutes an obstruction to traffic from the place where it is located on a highway to the nearest available position on the same highway as may be necessary to keep the highway open or safe for public travel. In addition, employees of the

Department of Transportation may remove any disabled vehicle which constitutes an obstruction to traffic on a freeway from the place where it is located to the nearest available location where parking is permitted; and if the vehicle is unoccupied, the department shall comply with the notice requirements of subdivision (d) of this section.

(d) Any state, county, or city authority charged with the maintenance or operation of any highway, highway facility, or public works facility, in cases necessitating the prompt performance of any work on or service to such highway, highway facility, or public works facility, may move to the nearest available location where parking is permitted, any unattended vehicle which obstructs or interferes with the performance of such work or service or may remove and store such a vehicle if moving it off the roadway to a location where parking is permitted would be impracticable. If the vehicle is moved to another location where it is not readily visible from its former parked location or it is stored, the person causing such movement or storage of the vehicle shall immediately, by the most expeditious means, notify the owner of the vehicle of its location. If for any reason the vehicle owner cannot be so notified, the person causing the vehicle to be moved or stored shall immediately, by the most expeditious means, notify the police department of the city in which the vehicle was parked, or, if the vehicle had been parked in an unincorporated area of a county, notify the sheriff's department and nearest office of the California Highway Patrol in that county. No vehicle may be removed and stored pursuant to this subdivision unless signs indicating that no person shall stop, park, or leave standing any vehicle within the areas marked by the signs because such work or service would be done, were placed at least 24 hours prior to such movement or removal and storage.

SEC. 5. Section 22657 of the Vehicle Code is repealed.

CHAPTER 74

An act to add Section 25825.3 to the Water Code, relating to irrigation districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 26, 1977. Filed with Secretary of State May 26, 1977.]

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

SECTION 1. Section 25825.3 is added to the Water Code, to read:

25825.3. (a) Within the Anderson-Cottonwood Irrigation District only, any person having an interest in any land within the district may file with the secretary, in lieu of the petition authorized by Section 25825, a verified petition alleging it is appropriate to apply

a special rate of assessment to such land and as to such land one of the the following is applicable:

(1) His land or a described portion of it is used for residential or commercial purposes and has, for 5 years immediately prior to the date of filing a petition pursuant to this section, been irrigated or supplied water wholly or partially from a water system not owned or operated by the district; or

(2) For 5 years immediately prior to the date of filing a petition pursuant to this section, his land or a described portion of it has never received water service from the district of any nature and the board of directors of the district has not at any time prior to filing the petition adopted a plan for future service of water to such lands, which plan may provide for the landowner to pay all costs of providing facilities to transport water from the nearest point at which the district has water available to the lands made subject to the petition; or

(3) For 5 years immediately prior to the date of filing a petition pursuant to this section, his land or a described portion of it was served with water received from wells not owned, maintained, or operated by the district and which land and wells are not supplied water of any nature from the district, including, but not limited to, surface, subsurface or seepage waters, which waters would be suitable for agricultural or domestic purposes.

(b) The procedure for any such petition shall be in accordance with this article.

(c) After the conclusion of a hearing as provided in Section 25831, if the board finds that any of the land described in any petition has been supplied as alleged or no plan for future service has been adopted, and the lands made subject to the petition are not and will not be benefited by the operations of the district in a manner that would justify their assessment at the regular rate of assessment, then the board shall adjust the rate of assessment on the land made subject to the petition in an order entered in full upon its minutes.

SEC. 2. The provisions of this act are necessary because many of the residents of the Anderson-Cottonwood Irrigation District reside within urban areas and are served by a municipal water supply or a well water supply or receive no water service. Such areas of the district are not and will not be benefited by the operations of the district in a manner that will justify their assessment at the regular rate of assessment. This problem is not common to all districts formed under the Irrigation District Law. It is, therefore, hereby declared that a general law cannot be made applicable and that the enactment of this act as a special law is necessary for the solution of problems existing within the Anderson-Cottonwood Irrigation District.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because this act is in accordance with the request of a local government entity or

entities which desired legislative authority to carry out the program specified in this act.

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

In order to correct the present disparity in assessments which permits certain areas included within the Anderson-Cottonwood Irrigation District which receive no irrigation benefits from the district to be assessed at the full rate at the earliest possible time, and to permit the provisions of this act to be applicable to assessments levied during the current year, it is necessary that this act go into immediate effect.

CHAPTER 75

An act to amend Section 510 of the Health and Safety Code, relating to local health officers.

[Approved by Governor May 26, 1977 Filed with Secretary of State May 26, 1977]

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

SECTION 1. Section 510 of the Health and Safety Code is amended to read:

510. Whenever the governing body of any city, county, or city and county determines that the expenses of its health officer in the enforcement of any statute, order, quarantine, rule or regulation prescribed by a state officer or department relating to public health, which either requires or authorizes the health officer to perform specified acts, are not met by any fees prescribed by the state, such governing body may adopt an ordinance or a resolution prescribing such fees as will pay the reasonable expenses of such officer incurred in such enforcement. The schedule of fees prescribed by ordinance or resolution of the governing body shall be applicable in the area in which the health officer enforces any statute, order, quarantine, rule or regulation prescribed by a state health officer or department relating to public health.

CHAPTER 76

An act to amend Section 5135.5 of the Streets and Highways Code, relating to the Improvement Act of 1911.

[Approved by Governor May 26, 1977 Filed with Secretary of State May 26, 1977]

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

SECTION 1. Section 5135.5 of the Streets and Highways Code is amended to read:

5135.5. When the contractor, at the time of execution of the contract, exercises his option to assign the warrant, assessment, and diagram to the legislative body, payments of installments may be made in the manner provided under the provisions of Section 5374.1 for installment payment of contributions.

This section shall not apply where the assessable portion of the contract is for a sum in excess of one hundred thousand dollars ($100,000).

CHAPTER 77

An act to amend Section 27465 of the Vehicle Code, relating to vehicles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 26, 1977. Filed with Secretary of State May 26, 1977]

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

SECTION 1. Section 27465 of the Vehicle Code is amended to read:

27465. (a) No dealer or person holding a retail seller's permit shall sell, offer for sale, expose for sale, or install on a vehicle for use on a highway, a pneumatic tire when the tire is so worn that less than one thirty-second (1/32) of an inch tread depth remains in any two adjacent grooves at any location on the tire. This subdivision shall not apply to any person who installs on a vehicle, as part of an emergency service rendered to a disabled vehicle upon a highway, a spare tire with which such disabled vehicle was equipped.

(b) No person shall use on a highway a pneumatic tire when the tire is so worn that less than one thirty-second (1/32) of an inch tread depth remains in any two adjacent grooves at any location on the tire.

(c) The measurement of tread depth shall not be made where tie bars, humps, or fillets are located.

(d) The requirements of this section shall not apply to implements of husbandry.

(e) The department, if it determines that such action is appropriate and in keeping with reasonable safety requirements, may adopt regulations establishing more stringent tread depth requirements than those specified in this section for those vehicles defined in Sections 322, 323, and 545, and may adopt regulations establishing tread depth requirements different from those specified

in this section for those vehicles listed in Section 34500.

SEC. 2. Section 27465 of the Vehicle Code, as amended by Section 1 of this act, is amended to read:

27465. (a) No dealer or person holding a retail seller's permit shall sell, offer for sale, expose for sale, or install on a vehicle axle for use on a highway, a pneumatic tire when the tire is so worn that less than one thirty-second (1/32) of an inch tread depth remains in any two adjacent grooves at any location on the tire. This subdivision shall not apply to any person who installs on a vehicle, as part of an emergency service rendered to a disabled vehicle upon a highway, a spare tire with which such disabled vehicle was equipped.

(b) No person shall use on a highway a pneumatic tire on a vehicle axle when the tire is so worn that less than one thirty-second (1/32) of an inch tread depth remains in any two adjacent grooves at any location on the tire.

(c) The measurement of tread depth shall not be made where tie bars, humps, or fillets are located.

(d) The requirements of this section shall not apply to implements of husbandry.

(e) The department, if it determines that such action is appropriate and in keeping with reasonable safety requirements, may adopt regulations establishing more stringent tread depth requirements than those specified in this section for those vehicles defined in Sections 322, 323, and 545, and may adopt regulations establishing tread depth requirements different from those specified in this section for those vehicles listed in Section 34500.

SEC. 3. It is the intent of the Legislature, if this bill and Senate Bill No. 277 are both chaptered and become effective on or before January 1, 1978, both bills amend Section 27465 of the Vehicle Code, and this bill is chaptered after Senate Bill No. 277, that Section 27465 of the Vehicle Code, as amended by Section 1 of this act, shall remain operative until the effective date of Senate Bill No. 277, and that on the effective date of Senate Bill No. 277 Section 27465 of the Vehicle Code, as amended by Section 1 of this act, be further amended in the form set forth in Section 2 of this act to incorporate the changes in Section 27465 proposed by Senate Bill No. 277. Therefore, if this bill and Senate Bill No. 277 are both chaptered and become effective on or before January 1, 1978, and Senate Bill No. 277 is chaptered before this bill and amends Section 27465, Section 2 of this act shall become operative on the effective date of Senate Bill No. 277.

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

Recent changes in the law regarding tire tread depth requirements may not be in keeping with appropriate safety regulations of the Department of the California Highway Patrol.

This act will provide greater flexibility for departmental regulations consistent with reasonable tire safety requirements. In

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

CHAPTER 78

An act to add Sections 22252.3 and 35454.5 to the Water Code, relating to water supply allocations, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 26, 1977 Filed with Secretary of State May 26, 1977]

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

SECTION 1. Section 22252.3 is added to the Water Code, to read:

22252.3. In any year in which the board determines that the water supplies of the district will be inadequate to provide water in a quantity furnished in years of average precipitation, the board may specify a date prior to which applications for water for the ensuing irrigation season are to be received. In districts where meters or other volumetric measuring instruments or facilities are not available or are inadequate to measure substantially all agricultural water deliveries, the district may establish annual water requirements in the district for growing each type of crop grown in the district, accept such applications for water based on proposed crops to be grown and acreage of each such proposed crop, and determine the quantity of water apportioned under Sections 22250, 22251, 22252, and 22252.1 expressed in terms of acreage of each type of proposed crop to be served. In such a district, the district may refuse to deliver water to, or assess penalties on, the landowner who uses such water on a greater acreage of such crops than such landowner's share of the estimated available water will bring to maturity based on the requirements established for growing such crops in the district.

In establishing annual water requirements for growing particular types of crops, as authorized in this section, the district, with respect to those crops which ordinarily require periodic irrigation, may designate the number of irrigation runs and the amount of water to be allocated to each such run with respect to each crop and may give the water user water credits measured by the designated irrigation runs with respect to each such crop as to which the water user has notified the district he intends to underirrigate.

This section provides a means of measuring the allocation of water to lands based on the type of crop grown and does not authorize a district to designate the crops to be grown on such land.

Nothing in this section shall prohibit or limit the apportionment of available water to land given preference under Section 22252.1 or this section or to otherwise restrict or limit existing powers of the

district to control and provide for distribution of water.

SEC. 2. Section 35454.5 is added to the Water Code, to read:

35454.5. In any year in which the board of a district not having meters or other volumetric measuring instruments or facilities to measure substantially all agricultural water to be delivered concludes the available water supply will be inadequate to serve all land entitled to service that will probably desire such service, the district may establish reasonable annual water requirements for growing each type of crop grown or likely to be grown in the district in that year; determine the maximum acreage of each crop that each holder of title to land, or his duly authorized agent or tenant, may irrigate with district water by dividing the quantity of water apportioned or apportionable to him by such reasonable annual water requirements so established by the district; limit the acreage of each crop that each such holder of title to land, or his duly authorized agent or tenant, may irrigate with district water to the maximum acreage or acreages so determined; and refuse to deliver water to, or assess penalties on, a holder of title to land, or his duly authorized agent or tenant, who uses district water on a greater acreage of such crops.

Nothing in this section shall prohibit or limit the application of the provisions of Section 35453 or 35454. This section provides a means of measuring the allocation of water to lands based on the type of crop grown and does not authorize a district to designate the crops to be grown on such land.

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

The recent year of inadequate precipitation and the projected probable shortage of water in the coming year will seriously limit the ability of several districts to deliver enough water to bring all crops in the district to maturity. In order to permit districts, which have little or no capability to volumetrically measure the agricultural water used to grow crops which require a relatively constant supply, to regulate the supply so that the supply will be sufficient to bring the crops to maturity in this growing season, it is, therefore, necessary that this act take effect immediately.

CHAPTER 79

An act to amend Section 5018 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, relating to elementary school districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 26, 1977. Filed with
Secretary of State May 26, 1977]

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

SECTION 1. Section 5018 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

5018. Any elementary school district having a governing board of three members may, and any elementary school district having a governing board of three members whose average daily attendance during the preceding fiscal year was 300 or more shall, do either of the following:

(a) By its own action determine that the number of members of the governing board shall be increased to five, in which case two additional members shall be elected at an upcoming regular election date, as specified in Section 2500 of the Elections Code, determined by the board.

(b) Request the county superintendent of schools having jurisdiction to submit the question of whether the number of members of the governing board shall be increased to five to the voters of the elementary school district at an upcoming regular election date, as specified in Section 2500 of the Elections Code, determined by the county superintendent of schools. At the same election, two additional members shall be elected to take office if the number of governing board members is increased.

Candidates for the two additional offices or their sponsors shall state in the declarations of candidacy or nominations filed for the election that the candidates are candidates for the two additional offices separately from the other offices to be filled in the election and shall clearly indicate to the voters that they may vote for two of the candidates to take office if the voters approve the proposed increase in the number of board members.

If the voters at the election do not approve such an increase in membership of the governing board, the same question may be submitted to the voters at subsequent governing board member elections. Requests to the county superintendent to submit the question to the voters of a district shall be filed with him by the governing board of the district no later than 100 days prior to the election.

If, pursuant to either subdivision (a) or subdivision (b) of this section, two additional governing board members are authorized and elected, the one receiving the higher number of votes shall hold office for a term commencing the first day of the month following the election until March 31st in the second succeeding year following the election in which a regular governing board election is held, and the other one shall hold office for a term commencing the first day of the month following the election until March 31st in the first succeeding year following the election in which a regular governing board election is held. Thereafter the governing board shall be composed of five members elected in the same manner and for the

same term as governing boards having five members.

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

In order that the provisions of this act may take effect prior to the November 1977 General Election and thereby provide a better opportunity for representation of the people on certain school district governing boards, it is essential that this act take immediate effect.

CHAPTER 80

An act to amend Section 1350 of the Health and Safety Code, relating to health, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 26, 1977 Filed with Secretary of State May 26, 1977.]

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

SECTION 1. Section 1350 of the Health and Safety Code is amended to read:

1350. (a) Every plan not exempted from this chapter who on June 30, 1976, is registered under the Knox-Mills Health Plan Act as in effect prior to the operative date of this chapter, shall promptly notify the commissioner of its intention to seek licensing under this chapter and shall file an application for licensing as a plan by September 30, 1976. Each such plan may continue to operate under the provisions of the Knox-Mills Health Plan Act as in effect prior to the operative date of this chapter until the commissioner grants or denies its application. However, such plans shall not be subject to the assessment or reregistration pursuant to the provisions of former Sections 12538 or 12538.4 of the Government Code and shall be subject to the provisions respecting reporting which are contained in Sections 1371 and 1383 and subdivisions (a), (d), (e), and (f) of Section 1384.

(b) If an application filed pursuant to subdivision (a) is denied, the commissioner shall give notice thereof as provided in Section 1354 and the plan shall not, after receipt of such notice, solicit or receive further enrollment or subscription unless and until such order of denial is revoked or set aside. Within 30 days after the date of mailing of such notice, the plan shall either cease operations in this state or request a hearing pursuant to Section 1354, such hearing to commence within 15 business days after receipt of such request unless the plan and the commissioner consent in writing to a later date. If, after hearing, the denial of the application is affirmed by the

commissioner, such plan shall cease operations in this state within 15 days after the date of such order. Thereafter, such plan shall be subject in all respects to the provisions of this chapter.

(c) On and after July 1, 1976, all administrative powers exercised by the Attorney General under the terms and provisions of the Knox-Mills Health Plan Act shall be exercised by the commissioner under the provisions of this section, and the Attorney General shall act as attorney for the commissioner except that the Attorney General may continue all civil or administrative proceedings initiated by the Attorney General prior to such date.

(d) Upon filing its application as provided in subdivision (a), each plan shall pay the application fee prescribed by subdivision (a) of Section 1356. In addition, each plan shall be subject to assessment as provided for in subdivision (b) of Section 1356.

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

It is necessary that plans which were registered under the Knox-Mills Health Plan Act and which have applied for license under the Knox-Keene Health Care Service Plan Act of 1975 be relieved of the unnecessary burdens of complying with the reregistration and annual registration provisions of the former act and to make provision for their assessment under the provisions of the Knox-Keene Health Care Service Plan Act of 1975 to meet the initial costs of administering that act.

CHAPTER 81

An act to repeal Section 12804.1 of the Government Code, and to add Section 50.7 to the Labor Code, relating to occupational safety and health.

[Approved by Governor May 26, 1977 Filed with Secretary of State May 26, 1977]

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

SECTION 1. Section 12804.1 of the Government Code is repealed.

SEC. 2. Section 50.7 is added to the Labor Code, to read:

50.7. The Department of Industrial Relations is the state agency designated to be responsible for administering the state plan for the development and enforcement of occupational safety and health standards relating to issues covered by corresponding standards promulgated under the federal Occupational Safety and Health Act of 1970 (Public Law 91-596).

CHAPTER 82

An act relating to school facilities and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 26, 1977 Filed with Secretary of State May 26, 1977]

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

SECTION 1. The Lodi Unified School District maintains a number of elementary schools serving the City of Lodi and surrounding communities.

The district is presently engaged in the construction of a new school, tentatively identified as the Victor Area Elementary School which, upon completion, will replace the Alpine and Bruella Elementary Schools, both of which have been inspected and found not to conform to the structural standards prescribed pursuant to the Field Act. The state is sharing in the cost of construction of the new Victor Area Elementary School under the state school building aid program.

It is estimated that the new school will be completed and ready for occupancy in December, 1977. It is necessary that the two elementary schools which will be replaced continue to be utilized until completion of the new school, and the Legislature finds that it would be highly disruptive and disadvantageous for the affected pupils, as well as creating a burden on the school district, to require the two existing elementary schools to be in disuse pending the completion of the new school. In enacting this act the Legislature intends to alleviate such unnecessary hardship.

SEC. 2. The Sacramento City Unified School District maintains a number of high schools serving the City of Sacramento and surrounding communities.

The district is presently engaged in the construction of new facilities for its existing American Legion Continuation High School which will replace the school's current facilities which have been inspected and found not to conform to the structural standards prescribed pursuant to the Field Act. The construction contract called for the new school facilities to be completed and ready for occupancy in August, 1977, but late material deliveries have caused delays sufficient to extend the completion of the facilities for occupancy into September, 1977.

It is necessary that the existing school facilities which will be replaced continue to be utilized until completion of the new facilities, and the Legislature finds that it would be highly disruptive and disadvantageous for the affected pupils, as well as creating a burden on the school district, to require the existing facilities to be in disuse pending completion of the new replacement school facilities. In enacting this act the Legislature intends to alleviate such

unnecessary hardship.

SEC. 3. The governing board of the Lodi Unified School District may continue to use the Alpine Elementary School and the Bruella Elementary School, and the governing board of the Sacramento City Unified School District may continue to use the existing facilities of the American Legion Continuation High School, together with all structures and facilities essential to the operation of those schools, until such time as replacement facilities are completed and ready for occupancy, or until December 31, 1977, whichever occurs earlier. During such period of continued use, the two elementary schools in the Lodi Unified School District and the existing continuation high school in the Sacramento City Unified School District, and all structures and facilities essential to the operation of those schools shall not be subject to any of the provisions of Article 4 (commencing with Section 15451) or Article 5 (commencing with Section 15501) of Chapter 2 of Division 11 of the Education Code, or Article 3 (commencing with Section 39140) or Article 6 (commencing with Section 39210) of Chapter 2 of Part 23 of Division 3 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976.

SEC 4. Due to the unique circumstances concerning the construction of a new replacement elementary school in the Lodi Unified School District and of new replacement facilities for the continuation high school in the Sacramento City Unified School District, as partially set forth in Sections 1 and 2 of this act, and the limited nature of the exemptions provided for in Section 3 of this act, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the Constitution.

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

In order that two elementary schools which are presently serving the needs of pupils of the Lodi Unified School District and the continuation high school which is presently serving the needs of pupils of the Sacramento City Unified School District may continue to be utilized without interruption while new facilities are being constructed, it is necessary that this act take effect immediately.

SEC. 6. This act shall remain in effect only until December 31, 1977 and on that date is repealed.

CHAPTER 83

An act relating to high schools, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 26, 1977. Filed with Secretary of State May 26, 1977]

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

SECTION 1. A city unified school district which, pursuant to Section 15516 of the Education Code, has been authorized by the State Allocation Board to continue the use of an existing high school pending the construction of replacement facilities, may, upon application to the board, be granted a further extension for such use if: (a) the district maintains only one other high school; (b) the construction of replacement facilities was commenced on a site adjacent to one of the existing high schools during calendar year 1976, and; (c) it is estimated that the replacement facilities will be completed and ready for occupancy during the 1977–78 school year. In no event shall the State Allocation Board authorize the continued use of the existing high school for a period extending beyond the completion of the replacement facilities, or beyond June 30, 1978, whichever occurs first.

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

In order that a high school which is presently serving the needs of more than 1,500 students may continue to be utilized without interruption while new facilities are being constructed, it is necessary that this act take effect immediately.

SEC. 3. This act shall remain in effect only until June 30, 1978, and on that date is repealed.

CHAPTER 84

An act relating to school facilities, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 26, 1977. Filed with Secretary of State May 26, 1977.]

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

SECTION 1. A unified school district which conducts an alternative high school program in facilities which the district has leased for a three-year term may continue to use such facilities until June 30, 1978, and may renew the lease thereof, under the following conditions:

(a) The alternative high school program is the only school program or activity conducted by the district on the leased site.

(b) The student enrollment in the alternative high school program does not exceed 250 students.

(c) A substantial portion of the activities of students participating in the alternative high school program consists of internships, work study, and related activities undertaken at locations other than at the leased site.

(d) The leased facility is a building of less than 15,000 square feet, and complies with applicable local building code requirements, and has been approved for school use by the State Fire Marshal.

A leased building which meets all of the conditions prescribed in subdivisions (a), (b), (c), and (d) shall not be subject to any of the provisions of Article 4 (commencing with Section 15451) or Article 5 (commencing with Section 15501) of Chapter 2 of Division 11 of the Education Code, or of Article 3 (commencing with Section 39140) or Article 6 (commencing with Section 39210) of Chapter 2 of Part 23 of Division 3 of the Education Code, as enacted by Chapters 1010 and 1011 of the Statutes of 1976, until June 30, 1978.

If, prior to June 30, 1978, the school district governing board certifies to the State Architect that the building has been inspected by a structural engineer and found to have complied with the structural standards promulgated pursuant to Article 4 (commencing with Section 15451) of Chapter 2 of Division 11 of the Education Code which were in effect at the time of the building's initial construction, the State Architect shall authorize the use of the leased facilities as a temporary school building, within the meaning of Article 4, after June 30, 1978, for a period not to extend beyond June 30, 1983. Any structural corrections recommended by the inspecting engineer in order to meet the conditions of this paragraph must have been completed prior to June 30, 1978.

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

In order to permit alternative high school programs to continue uninterrupted, utilizing facilities which are above average in safety and highly functional, and thereby continue advances in the level of maturity and intellectual development of students in the programs, and so avoiding harm to presently functioning successful programs and their student participants, it is necessary that this act take effect immediately.

CHAPTER 85

An act to add Chapter 5.1 (commencing with Section 61720.1) to Part 5 of, to add Section 61781 to, and to add Chapter 3 (commencing with Section 61770.5 of the government Code, relating to community services districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 27, 1977 Filed with Secretary of State May 27, 1977]

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

SECTION 1. Chapter 5.1 (commencing with Section 61720 1) is added to Part 5 of Division 3 of Title 6 of the Government Code, to read:

CHAPTER 5.1. INCLUSION IN IMPROVEMENT DISTRICTS

61720.1. Territory within a district may be annexed to an improvement district whether or not contiguous thereto, provided that such territory is not part of an improvement district constituted for a similar purpose.

61720.2. Except as provided in Section 61722, to commence the procedure for annexation to an improvement district, the board shall adopt a resolution initiating proceedings for an annexation, which resolution shall:

(a) Set forth a description of the exterior boundaries of the territory proposed to be annexed;

(b) State whether the territory proposed to be annexed is inhabited, in that there reside within the territory 12 or more persons who have been registered to vote within such territory for at least 54 days prior to the date of adoption of the resolution, or uninhabited, in that there reside within the territory less than 12 persons who have been registered to vote within such territory for at least 54 days prior to the date of adoption of the resolution;

(c) State the reason or reasons for the proposed annexation;

(d) Set forth any terms or conditions of the proposed annexation;

(d) Fix a time, date, and place of hearing on the proposed annexation, which hearing shall be not less than 15 days nor more than 60 days after the date of adoption of the resolution initiating proceedings; and

(f) State that any interested person desiring to make written protest against the annexation shall do so by written communication filed with the secretary not later than the hour set for the hearing. A written protest by a landowner shall contain a description sufficient to identify the land owned by him; a written protest by a voter shall contain the residential address of the voter.

61720.3. The secretary shall give notice of any such hearing by:

(a) Publication of the resolution initiating proceedings for annexation once in a newspaper of general circulation within the improvement district;

(b) Posting of the resolution initiating proceedings for annexation on or near the doors of the meeting place of the board or on any official bulletin board customarily used for the purpose of posting of public notices; and

(c) Mailing of the resolution initiating proceedings for annexation to all landowners owning land within the territory proposed to be

annexed as shown upon the last equalized assessment roll of the county, at the address shown upon such assessment roll, and to all persons and counties, cities, or districts, which shall have theretofore filed a written request for special notice with the secretary.

61720.4. Publication, posting, and mailing required by Section 61720.3 shall be completed at least 15 days prior to the date set for hearing. Mailed notice shall be sent by first-class mail and deposited, postage prepaid, in the United States mails and shall be deemed to have been given when so deposited.

61720.5. The hearing on the proposed annexation shall be held by the board upon the date and time specified in the resolution initiating proceedings for such annexation. The hearing may be continued from time to time but not to exceed 60 days from the date specified in such resolution.

61720.6. At such hearing the board shall hear and receive any oral or written protests, objections, or evidence which shall be made, presented, or filed. Any person who shall have filed a written protest may withdraw the same at any time prior to the conclusion of the hearing.

61720.7. Factors to be considered by the board in a proposed annexation shall include:

(a) Whether the proposed annexation will be for the interest of landowners and present or future inhabitants within the improvement district and within the territory proposed to be annexed to said improvement district;

(b) Any other matters which the board deems material. Except as hereinafter provided, the board shall not be required to make any express recitals or findings concerning any of the factors considered by it.

61720.8. In any proceedings for the annexation of territory to any improvement district, the board shall have the power and duty to exclude any lands proposed to be annexed which it finds will not be benefited by becoming a part of such improvement district.

For the purpose of completing any such proceedings, including the findings provided for by Sections 61720.9 and 61721, any land so excluded shall no longer be considered a part of the territory proposed to be annexed.

61720.9. A majority protest shall be deemed to exist and the proposed annexation shall be abandoned if the board shall find and declare by resolution that written protests filed not later than the hour set for the hearing, and not withdrawn prior to the conclusion of the hearing, represent:

(a) In the case of the annexation of inhabited territory,

(1) More than 50 percent of the assessed value of land therein, or

(2) More than 50 percent of the voting power of the voters entitled to vote as a result of residing within such territory; or

(b) In the case of the annexation of uninhabited territory, more than 50 percent of the assessed value of land therein.

61721. A written protest by a resident-voter shall contain his

signature and a street and number or designation sufficient to enable the place of residence to be readily ascertained. A protest by a landowner shall contain his signature and a description of the land owned by him sufficient to identify the same. A public agency owning land shall be deemed a landowner for the purpose of making a written protest and determining the existence of a majority protest.

61721.1. The board shall determine the sufficiency of written protests by the methods and the manner as provided in Sections 61721.2 to 61721.6, inclusive

61721.2. If the protests are signed by resident-voters, the secretary shall compare the names of the signers on the protests against the voters' register in the office of the county clerk or registrar of voters and ascertain therefrom the number of qualified signers appearing upon the protests.

61721.3. If the protests are signed by landowners, the secretary shall compare the names of the signers on the protests against the names of the persons shown as owners of land on the last equalized assessment roll of the county and ascertain therefrom:

(a) The total number of landowners owning land within the territory which is the subject of the proposed annexation and the total assessed valuation of all land within such territory.

(b) The total number of landowners represented by qualified signers and the total assessed valuation of land owned by qualified signers.

61721.4. If a protest is signed by a landowner which is a public agency owning land within the territory which is the subject of the proposed annexation, such public agency shall be deemed a landowner for the purpose of the signing and certification of such protest. Any such public agency may authorize such protest to be signed for and on its behalf by any duly authorized officer or employee.

61721.5. In examining any petition signed by a landowner, the secretary shall disregard the signature of any person not shown as owner on the last equalized assessment roll unless prior to certification the secretary shall be furnished with written evidence, satisfactory to him, that such signer: is a legal representative of the owner; is entitled to be shown as owner of land on the next assessment roll; is a purchaser of land under a recorded written agreement of sale; or is authorized to sign for and on behalf of any public agency owning land.

61721.6. If any person signing a protest as a landowner shall appear as owner on the last equalized assessment roll but be shown thereon as a partner, joint tenant, tenant in common or as husband or wife, the signature of such person shall be counted as if all such owners shown on said roll had signed.

61721.7. In an annexation proceeding, if a majority protest shall not have been filed, the board, not later than 30 days after the conclusion of the hearing, shall adopt a resolution and make one of the following determinations:

(a) Disapproving the proposed annexation; or

(b) Ordering the annexation in accordance with Sections 61721.8 to 61722, inclusive.

61721.8. The board may order such territory annexed to the improvement district either without election or subject to confirmation by the voters upon the question of such annexation. However, the board shall not order any such annexation without election unless the board finds:

(a) In the case of uninhabited territory, that written protests filed and not withdrawn represent less than 25 percent of the number of landowners within such territory, owning not more than 25 percent of the assessed value of land therein, or

(b) In the case of inhabited territory, that written protests filed and not withdrawn represent:

(1) Less than 25 percent of the number of landowners within such territory owning not more than 25 percent of the assessed value of land therein; and

(2) Less than 25 percent of the voting power of voters entitled to vote as a result of residing within such territory.

61721.9. In any resolution ordering an annexation of territory subject to confirmation by the voters, the board may provide for an election or elections to be called, held and conducted upon such question:

(a) Only within the territory ordered to be annexed; or

(b) Both within the territory ordered to be annexed and within all of said improvement district.

61722. If all the owners of land within the territory proposed to be annexed have given their written assent to such annexation, the board may, by resolution, order such an annexation (a) without notice and hearing by the board, (b) without an election, or (c) without notice and hearing by the board and without an election.

61722.1. A resolution ordering an annexation or detachment shall describe the exterior boundaries of the territory annexed and shall contain all terms and conditions imposed upon such annexation.

61722.2. After the canvass of the returns of any election or elections on the question of the annexation, the board shall declare by resolution the total number of votes cast in the election or elections, and the anumber of votes cast for and against the annexation. The board shall adopt a resolution confirming the order of annexation. The board shall adopt a resolution confirming the order of annexation, if a majority of the votes cast upon such questions are in favor of such annexation:

(a) At an election called only within the territory ordered to be annexed; or

(b) At each election where one election was called within the territory ordered to be annexed and another election within all said improvement district.

61722.3. If the proceedings for annexation are terminated, either by a majority protest as provided in Section 61720.9 or by failure of

the majority of voters to confirm the order at an election held pursuant to Section 61721.4, then no new proposal for the same or substantially the same plan of annexation may be filed with the board within one year after the date of adoption of the resolution terminating such proceedings.

61722.4. After the adoption of a resolution ordering such annexation, or a resolution confirming an order of annexation following an election thereon, the secretary shall file a certified copy thereof with a map of the territory thus annexed with the county tax collector of each county in which such annexed territory is situated and shall also make such filings as may be required by Chapter 8 (commencing at Section 54900) of Part 1 of Division 2 of Title 5.

61722.5. Territory annexed to an improvement district shall be subject to existing bond issues and indebtedness of the improvement district from and after the filing with the county tax collector specified in Section 61722.4.

SEC. 2. Section 16770.5 of the Government Code is repealed.

SEC. 3. Section 61781 is added to the Government Code, to read:

61781. All powers and duties of the district may be exercised on behalf of or within any zone formed pursuant to this division.

SEC. 4. Chapter 3 (commencing with Section 61790) is added to Part 6 of Division 3 of Title 6 of the Government Code, to read:

CHAPTER 3. INCLUSION IN ZONES

61790. Territory within a district may be annexed to a zone whether or not contiguous thereto, provided that such territory is not part of a zone constituted for a similar purpose.

61790.1. Except as provided in Section 61791.9, to commence the procedure for annexation to a zone, the board shall adopt a resolution initiating proceedings for an annexation, which resolution shall:

(a) Set forth a description of the exterior boundaries of the territory proposed to be annexed;

(b) State whether the territory proposed to be annexed is inhabited, in that there reside within the territory 12 or more persons who have been registered to vote within such territory for at least 54 days prior to the date of adoption of the resolution, or uninhabited, in that there reside within the territory less than 12 persons who have been registered to vote within such territory for at least 54 days prior to the date of adoption of the resolution;

(c) State the reason or reasons for the proposed annexation;

(d) Set forth any terms or conditions of the proposed annexation;

(e) Fix a time, date, and place of hearing on the proposed annexation, which hearing shall be not less than 15 days nor more than 60 days after the date of adoption of the resolution initiating proceedings; and

(f) State that any interested person desiring to make written protest against said annexation shall do so by written communication filed with the secretary not later than the hour set for the hearing.

A written protest by a landowner shall contain a description sufficient to identify the land owned by him; a written protest by a voter shall contain the residential address of the voter.

61790.2. The secretary shall give notice of any such hearing by:

(a) Publication of the resolution initiating proceedings for annexation once in a newspaper of general circulation within the zone;p

(b) Posting of the resolution initiating proceedings for annexation on or near the doors of the meeting place of the board or on any official bulletin board customarily used for the purpose of posting of public notices; and

(c) Mailing of the resolution initiating proceedings for annexation to all landowners owning land within the territory proposed to be annexed as shown upon the last equalized assessment roll of the county, at the address shown upon such assessment roll, and to all persons and counties, cities, or districts, which shall have theretofore filed a written request for special notice with the secretary.

61790.3. Publication, posting, and mailing required by Section 61790.2 shall be completed at least 15 days prior to the date set for hearing. Mailed notice shall be sent by first-class mail and deposited, postage prepaid, in the United States mails and shall be deemed to have been given when so deposited.

61790.4. The hearing on the proposed annexation shall be held by the board upon the date and time specified in the resolution initiating proceedings for such annexation. The hearing may be continued from time to time but not to exceed 60 days from the date specified in such resolution.

61790.5. At such hearing the board shall hear and receive any oral or written protests, objections, or evidence which shall be made, presented, or filed. Any person who shall have filed a written protest may withdraw the same at any time prior to the conclusion of the hearing.

61790.6. Factors to be considered by the board in a proposed annexation shall include:

(a) Whether the proposed annexation will be for the interest of landowners and present or future inhabitants within the zone and within the territory proposed to be annexed to the zone;

(b) Any other matters which the board deems material. Except as hereinafter provided, the board shall not be required to make any express recitals or findings concerning any of the factors considered by it.

61790.7. In any proceedings for the annexation of territory to any zone, the board shall have the power and duty to exclude any lands proposed to be annexed which it finds will not be benefited by becoming a part of such zone.

For the purpose of completing any such proceedings, including the findings provided for by Sections 61790.8 and 61790.9, any land so excluded shall no longer be considered a part of the territory proposed to be annexed.

61790.8. A majority protest shall be deemed to exist and the proposed annexation shall be abandoned if the board shall find and declare by resolution that written protests filed not later than the hour set for the hearing, and not withdrawn prior to the conclusion of the hearing, represent:

(a) In the case of the annexation of inhabited territory,

(1) More than 50 percent of the assessed value of land therein, or

(2) More than 50 percent of the voting power of voters entitled to vote as a result of residing within such territory; or

(b) In the case of the annexation of uninhabited territory, more than 50 percent of the assessed value of land therein.

61790.9. A written protest by a resident-voter shall contain his signature and a street and number or designation sufficient to enable the the place of residence to be readily ascertained. A protest by a landowner shall contain his signature and a description of the land owned by him sufficient to identify the same. A public agency owning land shall be deemed a landowner for the purpose of making a written protest and determining the existence of a majority protest.

61791. The board shall determine the sufficiency of written protests by the methods and the manner as provided in Sections 61791.1 to 61791.5, inclusive.

61791.1. If the protests are signed by resident-voters, the secretary shall compare the names of the signers on the protests against the voters' register in the office of the county clerk or registrar of voters and ascertain therefrom the number of qualified signers appearing upon said protests.

61791.2. If the protests are signed by landowners, the secretary shall compare the names of the signers on the protests against the names of the persons shown as owners of land on the last equalized assessment roll of the county and ascertain therefrom:

(a) The total number of landowners owning land within the territory which is the subject of the proposed annexation and the total assessed valuation of all land within such territory.

(b) The total number of landowners represented by qualified signers and the total assessed valuation of land owned by qualified signers.

61791.3. If a protest is signed by a landowner which is a public agency owning land within the territory which is the subject of the proposed annexation, such public agency shall be deemed a landowner for the purpose of the signing and certification of such protest. Any such public agency may authorize such protest to be signed for and on its behalf by any duly authorized officer or employee.

61791.4. In examining any petition signed by a landowner, the secretary shall disregard the signature of any person not shown as owner on the last equalized assessment roll unless prior to certification the secretary shall be furnished with written evidence, satisfactory to him, that such signer: is a legal representative of the owner; is entitled to be shown as owner of land on the next

assessment roll; is a purchaser of land under a recorded written agreement of sale; or is authorized to sign for and on behalf of any public agency owning land.

61791.5. If any person signing a protest as a landowner shall appear as owner on the last equalized assessment roll but be shown thereon as a partner, joint tenant, tenant in common or as husband or wife, the signature of such person shall be counted as if all such owners shown on the roll had signed.

61791.6. In an annexation proceeding, if a majority protest shall not have been filed, the board, not later than 30 days after the conclusion of the hearing, shall adopt a resolution and make one of the following determinations:

(a) Disapproving the proposed annexation; or

(b) Ordering the annexation in accordance with Sections 61791.7 to 61791.9, inclusive.

61791.7. The board may order such territory annexed to the zone either without election or subject to confirmation by the voters upon the question of such annexation. However, the board shall not order any such annexation without election unless the board finds.

(a) In the case of uninhabited territory, that written protests filed and not withdrawn represent less than 25 percent of the number of landowners within such territory, owning not more than 25 percent of the assessed value of land therein, or

(b) In the case of inhabited territory, that written protests filed and not withdrawn represent:

(1) Less than 25 percent of the number of landowners within such territory owning not more than 25 percent of the assessed value of land therein; and

(2) Less than 25 percent of the voting power of voters entitled to vote as a result of residing within such territory.

61791.8. In any resolution ordering an annexation of territory subject to confirmation by the voters, the board may provide for an election or elections to be called, held, and conducted upon such question:

(a) Only within the territory ordered to be annexed; or

(b) Both within the territory ordered to be annexed and within all of said zone.

61791.9. If all the owners of land within the territory proposed to be annexed have given their written assent to such annexation, the board may, by resolution, order such an annexation (a) without notice and hearing by the board, (b) without an election, or (c) without notice and hearing by the board and without an election.

61792. A resolution ordering an annexation or detachment shall describe the exterior boundaries of the territory annexed and shall contain all terms and conditions imposed upon such annexation.

61792.1. After the canvass of the returns of any election or elections on the question of the annexation, the board shall declare by resolution the total number of votes cast in the election or elections, and the number of votes cast for and against the

annexation. The board shall adopt a resolution confirming the order of annexation, if a majority of the votes cast upon such questions are in favor of such annexation:

(a) At an election called only within the territory ordered to be annexed; or

(b) At each election where one election was called within the territory ordered to be annexed and another election within all said zones.

61792.2. If the proceedings for annexation are terminated, either by majority protest as provided in Section 61790.8 or by failure of the majority of voters to confirm the order at an election held pursuant to Section 61791.8, then no new proposal for the same or substantially the same plan of annexation may be filed with the board within one year after the date of adoption of the resolution terminating such proceedings.

61792.3. After the adoption of a resolution ordering such annexation, or a resolution confirming an order of annexation following an election thereon, the secretary shall file a certified copy thereof with a map of the territory thus annexed with the county tax collector of each county in which such annexed territory is situated and shall also make such filings as may be required by Chapter 8 (commencing at Section 54900) of Part 1, of Division 2, Title 5.

61792.4. Territory annexed to a zone shall be subject to existing bond issues and indebtedness of the zone from and after the filing with the county tax collector specified in Section 61792.3.

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

Many areas of the state which are urgently in need of services can be provided with such services by community services districts but must first be annexed to improvement districts or zones within such community service districts. This act provides the means for such inclusion and in order to provide these vitally needed services as soon as possible must take effect immediately.

CHAPTER 86

An act to amend Section 12885.9 of, and to add Section 359 to, the Water Code, relating to water supplies, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 1, 1977. Filed with Secretary of State June 1, 1977.]

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

SECTION 1. Section 359 is added to the Water Code, to read:

359. Notwithstanding any other provision of law which requires an election for the purpose of authorizing a contract with the United States, or for incurring the obligation to repay loans from the United States, and except as otherwise limited or prohibited by the Constitution of the State of California, a public water agency may, as an alternative procedure to submitting the proposal to an election, upon affirmative vote of four-fifths of the members of the governing body thereof, apply for, accept, provide for the repayment together with interest thereon, and use funds made available by the federal government pursuant to Public Law 95-18, pursuant to any other federal act subsequently enacted during 1977 which specifically provides emergency drought relief financing, or pursuant to existing federal relief programs receiving budget autmentations in 1977 for drought assistance, and may enter into such contracts as are required to obtain such federal funds pursuant to the provisions of such federal acts; provided the following conditions exist:

(a) The project is undertaken by state, regional, or local governmental agency.

(b) As a result of the severe drought now existing in many parts of the state, the agency has insufficient water supply needed to meet the necessary agricultural, domestic, industrial, recreational, and fish and wildlife needs within the service area or area of jurisdiction of the agency.

(c) The project will develop or conserve water before October 31, 1978, and will assist in mitigating the impacts of the drought.

(d) The agency affirms that it will comply, if applicable, to Sections 1601, 1602, and 1603, of the Fish and Game Code.

(e) The project will be completed on or before the completion date, if any, required under the federal act providing the finding, but not later than March 1, 1978.

Any obligation to repay loans shall be expressly limited to revenues of the system improved by the proceeds of the contract.

No application for such federal funds pursuant to the authority of this section shall be made on or after March 1, 1978.

Notwithstanding the provisions of this section, a public agency shall not be exempt from any provision of law which requires the submission of such proposal to an election if a petition requesting such an election signed by 10 percent of the registered voters within the public agency is presented to the governing board within 30 days following the submission of an application for such federal funds.

For the purposes of this section, "public water agency" means a city, district, agency, authority, or any other political subdivision of the state, except the state, which distributes water to the inhabitants thereof, which is otherwise authorized by law to enter into contracts or agreements with the federal government for a water supply or for financing facilities for a water supply, and which is otherwise required by law to submit such agreements or contracts or any other project involving long-term debt to an election within such public

water agency.

SEC. 2. Section 12885.9 of the Water Code is amended to read:

12885.9. The department, without the prior approval of the California Water Commission, is authorized during the calendar years 1976, 1977, and 1978 to make loans in amounts not to exceed two hundred thousand dollars ($200,000) to public agencies to provide emergency facilities needed to maintain water supplies in order to relieve drought situations. Such loans shall be repayable over a period of not to exceed 10 years and shall be repayable with interest at the rate specified in Section 12885.8.

Loans may be made pursuant to this section only if no other funds are reasonably available for meeting the emergency and all other sources of emergency funding have been exhausted. Such loans may be made only to public agencies having the financial ability to repay and serving an area with a population of 200,000 or less.

The Legislature finds that public agencies serving areas with a population of over 200,000 are able financially to relieve drought situations without assistance from the state. Notwithstanding any statutory limitations on its existing powers and except as restricted by the California Constitution, any public agency is authorized, without an election, to borrow and expend funds pursuant to this section to relieve water shortage emergencies within its boundaries.

SEC. 3. Notwithstanding any other provision of law to the contrary, a drought relief project shall be exempt from the provisions of Division 13 (commencing with Section 21000) of the Public Resources Code, if all of the following conditions exist:

(a) The project is undertaken by a state, regional, or local governmental agency.

(b) The project is funded pursuant to Public Law 95-18, pursuant to any other federal act subsequently enacted during 1977 which specifically provides drought relief financing, or pursuant to existing federal relief programs receiving budget augmentations in 1977 for drought assistance.

(c) As a result of the severe drought now existing in many parts of the state, the agency has insufficient water supply needed to meet necessary agricultural, domestic, industrial, recreational, and fish and wildlife needs within the service area or area of jurisdiction of the agency.

(d) The project will develop or conserve water before October 31, 1978, and will assist in mitigating the impacts of the drought.

(e) The construction of the project will be completed on or before the completion date, if any, required under the federal act providing the funding, but not later than March 1, 1978.

(f) The agency affirms that it will comply, where applicable, with Sections 1601, 1602, and 1603 of the Fish and Game Code.

This section shall remain in effect only until March 1, 1978, and shall have no force or effect on or after such date, unless a later enacted statute, which is chaptered before March 1, 1978, deletes or extends such date.

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

Existing drought conditions are causing hardships and crises in many areas of the state. Many small communities are having trouble making their regular water service because of the drought. Communities large and small also need to encourage conservation to further existing water supplies. In order to relieve existing drought conditions, it is necessary that this act take effect immediately.

CHAPTER 87

An act to amend Section 1714.3 of the Civil Code, relating to parental liability

[Approved by Governor June 2, 1977 Filed with Secretary of State June 2, 1977]

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

SECTION 1. Section 1714.3 of the Civil Code is amended to read:

1714.3. Civil liability for any injury to the person or property of another proximately caused by the discharge of a firearm by a minor under the age of 18 years shall be imputed to a parent or guardian having custody or control of the minor for all purposes of civil damages, and such parent or guardian shall be jointly and severally liable with such minor for any damages resulting from such act, if such parent or guardian either permitted the minor to have the firearm or left the firearm in a place accessible to the minor.

The liability imposed by this section is in addition to any liability now imposed by law. However, no person, or group of persons collectively, shall incur liability under this section in any amount exceeding fifteen thousand dollars ($15,000) for injury to or death of one person as a result of any one occurrence or, subject to the limit as to one person, exceeding thirty thousand dollars ($30,000) for injury to or death of all persons as a result of any one such occurrence.

CHAPTER 88

An act to amend Section 1125 of the Probate Code, relating to testamentary trusts.

[Approved by Governor June 2, 1977 Filed with Secretary of State June 2, 1977]

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

SECTION 1. Section 1125 of the Probate Code is amended to read:

1125. The court in which the administration is pending shall have power, at any time before final distribution, to appoint some fit and proper person to fill any vacancy in the office of trustee under the will, whether resulting from such declination, removal, or otherwise, if such appointment is necessary to carry out the trust. Such appointment may be made by the court upon the written application of any person interested in the trust, filed in the probate proceedings, and shall be made only after notice to all parties interested in the trust, given as required by Section 328 upon a petition for the probate of a will.

CHAPTER 89

An act to amend Section 54957.1 of the Government Code, relating to public meetings.

[Approved by Governor June 2, 1977 Filed with Secretary of State June 2, 1977.]

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

SECTION 1. Section 54957.1 of the Government Code is amended to read:

54957.1. The legislative body of any local agency shall publicly report at its next public meeting any action taken, and the roll call vote thereon, to appoint, employ, or dismiss a public employee arising out of any executive session of the legislative body.

CHAPTER 90

An act to amend Sections 54782, 54799.1, 56260, 56261, 56275, 56316, 56438 and 56470 of, and to add Sections 56023.5 and 56439.5 to, the Government Code, relating to local agency formation commissions.

[Approved by Governor June 2, 1977 Filed with Secretary of State June 2, 1977.]

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

SECTION 1. Section 54782 of the Government Code is amended to read:

54782. If there is only one city in the county, the commission shall consist of five members, selected as follows:

(a) Two representing the county, appointed by the board of supervisors from their own membership. The board of supervisors shall appoint a third supervisor who shall be an alternate member of

the commission. He is authorized to serve and vote in place of any supervisor on the commission who is absent or who disqualifies himself from participating in a meeting of the commission.

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

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

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

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

SEC. 2. Section 54799.1 of the Government Code is amended to read:

54799.1. If any legislative body, landowner, voter, or other interested person shall desire any addition, deletion, amendment or revision of any commission resolution making determinations or any term, condition or other provision contained therein, including minor or major changes in boundaries of proposed new cities or annexations to existing cities, such legislative body, landowner, voter, or other interested person, shall prior to the completion of proceedings, but not more than 60 days after adoption of the commission's resolution making determinations, file written application therefor with the executive officer who shall present the same to the commission at its next meeting. The commission, in its discretion, may either (i) without further notice and hearing, deny or approve such application in whole or in part, or (ii) provide for notice and hearing upon said application, in the same manner as for the original proposal, prior to denying or approving the same. Any determination made by a commission pursuant to this section shall be final and conclusive and no further application shall be made pursuant to this section requesting the same or substantially the same addition, deletion, amendment or revision of the commission's resolution making determinations.

The time limits for making applications pursuant to this section shall not apply to boundary changes referred to the commission pursuant to Section 34315.

SEC. 3. Section 56260 of the Government Code is amended to read:

56260. The commission may make the following determinations without notice and hearing:

(a) Approval or disapproval of any proposal for a minor boundary change.

(b) Subject to the limitations of Section 56261, approval or

disapproval of a proposal for an annexation, detachment or reorganization which consists solely of annexations or detachments, or both.

Except for the foregoing determinations, the commission shall not make any determinations upon any proposal, plan of reorganization or, report and recommendation of a reorganization committee until after public hearing by the commission thereon.

SEC. 4. Section 56261 of the Government Code is amended to read:

56261. If a petition for an annexation, a detachment or a reorganization consisting solely of annexations or detachments, or both, shall be signed by all of the owners of land within the affected territory of the proposed change of organization or reorganization, or if a resolution of application by a legislative body of an affected district, county, or city making a proposal for an annexation or detachment, or for a reorganization consisting solely of annexations or detachments, or both, shall be accompanied by proof, satisfactory to the commission, that all the owners of land within the affected territory have given their written consent to such change of organization or reorganization, the commission may approve or disapprove such change of organization or reorganization, without notice and hearing by the commission. In such cases the commission may also approve and authorize the board of directors of the conducting district or the board of supervisors, whichever is applicable, to conduct proceedings for the change of organization or reorganization (i) without notice and hearing (ii) without an election, or (iii) both.

The executive officer shall give any district or city whose boundaries would be changed by a proposed change of organization or reorganization which could be subject to the provisions of this section mailed notice of the filing of the petition or resolution of application initiating preliminary proceedings. The commission shall not, without the written consent of the district or city whose boundaries would be changed by the proposed change of organization or reorganization take any further action on said petition or resolution of application for 10 days following such mailing. Upon written demand by an affected district or city, filed with the executive officer during said 10-day period, the commission shall make determinations upon said petition or resolution of application only after notice and hearing thereon. If no such demand is filed, the commission may make such determinations without notice and hearing. By written consent, which may be filed with the executive officer at any time, a district or city may (i) waive the requirement of such mailed notice, (ii) consent to the commission making determinations without notice and hearing, or (iii) both.

SEC. 5. Section 56275 of the Government Code is amended to read:

56275. Any legislative body conducting a proceeding for a change of organization or reorganization, or any affected county, city, district, landowner, voter, or other interested person desiring any addition, deletion, amendment or revision of any commission

resolution making determinations or any term, condition or other provision contained therein, may within 60 days after adoption of the commission's resolution making determinations file written application therefor with the executive officer who shall present the same to the commission at its next meeting. When such a written application is filed with the commission, the time within which the legislative body conducting proceedings is directed to act shall be tolled from the date upon which written application is made to the commission to the date upon which the legislative body receives notification of the commission's final action on the application. The commission, in its discretion, may either (i) without further notice and hearing, deny or approve such application, in whole or in part, or (ii) provide for notice and hearing upon said application, in the same manner as for the original proposal, prior to denying or approving the same. Any determinations made by a commission pursuant to this section shall be final and conclusive and no further application shall be made pursuant to this section requesting the same or substantially the same addition, deletion, amendment or revision of the commission's resolution making determinations.

SEC. 6. Section 56316 of the Government Code is amended to read:

56316. A majority protest shall be deemed to exist and the proposed annexation or detachment shall be abandoned if the board of directors shall find and declare by resolution that written protests filed and not withdrawn prior to the conclusion of the hearing represent:

(a) In the case of the annexation or detachment of inhabited territory, more than 50 percent of the voting power of voters entitled to vote as a result of residing in or owning land within such territory; or

(b) In the case of the annexation or detachment of uninhabited territory, more than 50 percent of the assessed value of land therein.

SEC. 7. Section 56438 of the Government Code is amended to read:

56438. Where a proposed reorganization consists solely of annexations, detachments, minor boundary changes, or formation of county service areas, or any combination thereof, a majority protest shall be deemed to exist and the proposed reorganization shall be abandoned if the board of supervisors finds that written protests filed and not withdrawn prior to the conclusion of the hearing represent:

(a) In the case of uninhabited territory more than 50 percent of the assessed value of land within all territory proposed to be annexed or detached; or

(b) In the case of inhabited territory more than 50 percent of the voting power of voters entitled to vote as a result of residing within or owning land within such territory.

If there is no such majority protest, the board of supervisors shall not order such reorganization without election, unless the board of supervisors finds:

(1) In the case of a resident-voter district, that such territory is uninhabited, or in the case of a landowner-voter district, that the

territory is uninhabited and the written protests filed and not withdrawn represent less than 25 percent of the number of landowners within such territory, owning less than 25 percent of the assessed value of land therein; or

(2) In the case of inhabited territory, that written protests filed and not withdrawn represent:

(a) Less than 25 percent of the number of landowners within all territory proposed to be annexed or detached, owning not more than 25 percent of the assessed value of land therein; and

(b) Less than 25 percent of the voting power of voters entitled to vote as a result of residing within or owning land within such territory.

SEC. 8. Section 56439.5 is added to the Government Code, to read:

56439.5. When approved and authorized by the commission pursuant to the provisions of Section 56261, the board of supervisors may adopt a resolution ordering a reorganization consisting solely of annexations or detachments, or both, (i) without notice and hearing by the board of supervisors, (ii) without an election, or (iii) both, as may be specified by the commission.

SEC. 9. Section 56470 of the Government Code is amended to read:

56470. Any change of organization or reorganization may provide for or be made subject to one or more of the following terms and conditions:

(a) The payment of a fixed or determinable amount of money, either as a lump sum or in installments, for the acquisition, transfer, use or right of use of all or any part of the existing property, real or personal, of any city, county or district.

(b) The levying or fixing and the collection of (i) special, extraordinary or additional taxes or assessments, or (ii) special, extraordinary or additional service charges, rentals or rates, or (iii) both, for the purpose of providing for any payment required pursuant to subdivision (a) of this section.

(c) The imposition, exemption, transfer, division or apportionment, as among any affected cities, counties, districts and territory of liability for payment of all or any part of principal, interest and any other amounts which shall become due on account of all or any part of any outstanding or then authorized but thereafter issued bonds, including revenue bonds, or other contracts or obligations of any city, county, district or any improvement district therein and the levying or fixing and the collection of any (i) taxes or assessments, or (ii) service charges, rentals or rates or, (iii) both in the same manner as provided in the original authorization of the bonds and in the amount necessary to provide for such payment.

(d) If, as a result of any term or condition made pursuant to subdivision (c), the liability of any affected city, county or district for payment of the principal of any bonded indebtedness shall be increased or decreased, said term and condition may specify the amount, if any, of such increase or decrease which shall be included in or excluded from the outstanding bonded indebtedness of any

such agency for the purpose of the application of any statute or charter provision imposing a limitation upon the principal amount of outstanding bonded indebtedness of such agency.

(e) The formation of a new improvement district or districts or the annexation or detachment of territory to or from any existing improvement district or districts.

(f) The incurring of new indebtedness or liability by or on behalf of all or any part of any district, including territory being annexed to any district, or of any existing or proposed new improvement district therein. The new indebtedness may be the obligation solely of territory to be annexed provided the district has the authority to establish zones for incurring indebtedness. The indebtedness or liability shall be incurred substantially in accordance with the laws otherwise applicable to the district.

(g) The issuance and sale of any bonds, including authorized but unissued bonds of a subject district, either by such district or by a district designated as the successor to any district which shall be extinguished as a result of any change of organization or reorganization.

(h) The acquisition, improvement, disposition, sale, transfer or division of any property, real or personal.

(i) The disposition, transfer or division of any moneys or funds (including cash on hand and moneys due but uncollected) and any other obligations.

(j) The fixing and establishment of priorities of use or right of use of water, or capacity rights in any public improvements or facilities or of any other property, real or personal.

(k) The establishment, continuation or termination of any office, department or board, or the transfer, combining, consolidation, or separation of any offices, departments or boards, or any of the functions thereof, if, and to the extent that, any such matters shall be authorized by the principal act.

(*l*) The employment, transfer or discharge of employees, the continuation, modification or termination of existing employment contracts, civil service rights, seniority rights, retirement rights and other employee benefits and rights.

(m) The designation of a city, county or district, as the successor to any district which shall be extinguished as a result of any change of organization or reorganization, for the purpose of succeeding to all of the rights, duties and obligations of the extinguished district with respect to enforcement, performance or payment of any outstanding bonds, including revenue bonds, or other contracts and obligations of said extinguished district.

(n) The designation (i) of the method for the selection of members of the legislative body of a district or (ii) the number of such members, (iii) or both, where the proceedings are for a consolidation, or a reorganization providing for a consolidation or formation of a new district and the principal act provides for alternative methods of such selection or for varying numbers of such

members, or both.

(o) The initiation, conduct or completion of proceedings on a proposal made under and pursuant to the Knox-Nisbet Act, Chapter 6.6 (commencing with Section 54773) of Division 2, Title 5.

(p) The fixing of the effective date of any change of organization, subject to the limitations of Section 56456.

(q) Any terms and conditions authorized or required by the principal act with respect to any change of organization.

(r) The continuation or provision of any service currently provided or previously authorized by official act of the district to be provided.

(s) Any other matters necessary or incidental to any of the foregoing.

SEC. 10. Section 56023.5 is added to the Government Code, to read:

56023.5. "Affected territory" means any territory for which a change of organization is proposed or ordered.

SEC. 11. The Legislature finds and declares that the amendment made to Section 56470 of and the addition of Section 56023.5 to the Government Code made by this act is declaratory of existing laws.

CHAPTER 91

An act to amend Section 748.5 of the Code of Civil Procedure, relating to suits to quiet title.

[Approved by Governor June 2, 1977. Filed with Secretary of State June 2, 1977]

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

SECTION 1. Section 748.5 of the Code of Civil Procedure is amended to read:

748.5. Whenever a proposal to dedicate land for public improvement has been heretofore or hereafter made by map only, without any acceptance of the dedication having been made and recorded within 25 years thereafter, and the land has not been used for the purpose for which the dedication was proposed for a period of 25 years, and the property has been subsequently sold to a third person, after the filing of the map, and used as if free of the dedication, there is a conclusive presumption that the proposed dedication was not accepted, and in a suit to quiet title to such land naming the governmental agency to which the dedication was made by map as defendant, the decree in favor of the plaintiff shall clear the title of the proposed dedication and remove the cloud created by the proposed dedication.

SEC. 2. The Legislature finds and declares that, as to the manner of acceptance of a dedication of land for public improvement by map, this act does not make a substantive change.

CHAPTER 92

An act to amend Section 8388.5 of, and to add and repeal Section 8388.1 of, the Fish and Game Code, relating to fishing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 7, 1977 Filed with Secretary of State June 7, 1977]

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

SECTION 1. Section 8388.1 is added to the Fish and Game Code, to read:

8388.1. Notwithstanding the provisions of Section 8388, following the effective date of this section, loads or lots of fish may contain 40 percent or less by weight of Pacific mackerel taken incidentally to other fishing operations, and any load of fish of less than three tons of weight may contain any amount of Pacific mackerel. The amount of Pacific mackerel in any load or lot of fish taken incidentally to other fishing operations in excess of 18 percent by weight of the load or lot and the amount of Pacific mackerel taken in any load of less than three tons shall be computed as part of any harvest quota permitted pursuant to Section 8388.5. The director may suspend the operation of this section whenever the season quota permitted pursuant to Section 8388.5 has been reached, and thereafter loads or lots of fish may only contain 18 percent or less by weight of Pacific mackerel. The director may authorize the taking of Pacific mackerel in accordance with the provisions of this section whenever the report submitted pursuant to Section 8388.3 determines that a harvest quota may be established and the director determines that Pacific mackerel and jack mackerel are schooling together in such a manner that the proper harvest of jack mackerel requires an increased tolerance for Pacific mackerel prior to October 1. No permits shall be issued by the department pursuant to Section 8388.5 whenever Pacific mackerel may be taken in accordance with the provisions of this section.

SEC. 2. Section 8388.5 of the Fish and Game Code is amended to read:

8388.5. Section 8388 shall remain in effect until the department determines that the estimated Pacific mackerel spawning population, in waters north of Punta Eugenia, Baja California, Mexico, exceeds 10,000 tons. When the department makes this determination, a season harvest quota equal to 20 percent of the amount of Pacific mackerel in excess of 10,000 tons spawning population, as determined by the department, shall be permitted under permits issued by the department.

When the department determines that the spawning population exceeds 20,000 tons, the harvest quota shall be increased to 30 percent of the excess over 20,000 tons.

The department shall keep records of the catch of Pacific mackerel and when it appears that the season quota will be reached, it shall notify all permitholders of the date when such limit will be reached and therefore the season closed pursuant to Section 8388, and shall notify, by certified mail, all permitholders of such closure.

SEC. 3. This act shall remain in effect until January 1, 1978. On such date Section 8388.1 of the Fish and Game Code, which is added by Section 1 of this act, shall have no further force and effect and is repealed, and Section 8388.5 of the Fish and Game Code, which is amended by Section 2 of this act, shall read as it read immediately prior to the effective date of this act.

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

The present limitation on the amount of Pacific mackerel which may be taken incidentally to other fishing operations is preventing the taking of jack mackerel since Pacific mackerel and jack mackerel school together. This problem is now becoming acute because the management efforts of the Department of Fish and Game to increase the population of Pacific mackerel have been successful and Pacific mackerel are schooling with jack mackerel in ever-increasing numbers. An additional factor contributing to the urgency of the situation is that amounts of jack mackerel which are available to be harvested, but are not harvested, must be made available under existing federal law to foreign fishermen. In order, therefore, to permit the harvesting of jack mackerel at the earliest possible, it is necessary that this act go into immediate effect.

CHAPTER 93

An act to amend Section 431.40 of the Code of Civil Procedure, relating to general denial.

[Approved by Governor June 11, 1977. Filed with Secretary of State June 11, 1977]

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

SECTION 1. Section 431.40 of the Code of Civil Procedure is amended to read:

431.40. (a) Any provision of law to the contrary notwithstanding, in any action in which the demand, exclusive of interest, or the value of the property in controversy does not exceed one thousand dollars ($1000), the defendant at his option, in lieu of demurrer or other answer, may file a general written denial and a brief statement of any new matter constituting a defense.

(b) Nothing in this section excuses the defendant from complying

with the provisions of law applicable to a cross-complaint, and any cross-complaint of the defendant shall be subject to the requirements applicable in any other action.

(c) The general written denial described in subdivision (a) shall be on a blank available at the place of filing and shall be in a form prescribed by the Judicial Council. This form need not be verified.

CHAPTER 94

An act to amend Section 11709 of the Vehicle Code, relating to mobilehomes.

[Approved by Governor June 11, 1977 Filed with Secretary of State June 11, 1977]

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

SECTION 1. Section 11709 of the Vehicle Code is amended to read:

11709. (a) A dealer's established place of business and such other sites or locations as may be operated and maintained by such dealers in conjunction with their established place of business shall have posted in a place conspicuous to the public in each and every location the license issued by the department to the dealer and to each salesman employed by the dealer and shall have erected or posted thereon such signs or devices providing information relating to the dealer's name, the location and address of such dealer's established place of business to enable any person doing business with such dealer to identify him properly. Every such sign erected or posted on an established place of business, shall have an area of not less than two square feet per side displayed, and shall contain lettering of sufficient size to enable the sign to be read from a distance of at least 50 feet.

(b) Notwithstanding the provisions of Section 11704 and this section, a dealer may display vehicles at a fair, exposition or similar exhibit without securing a branch license providing no actual sales are made at such events, and that such display does not exceed 30 days.

(c) Mobilehomes may also be displayed as a model home within a mobilehome park, mobilehome subdivision, mobilehome planned unit development, or mobilehome cooperative, until the mobilehome park, mobilehome subdivision, mobilehome planned unit development, or mobilehome cooperative has reached 70 percent occupancy.

(d) A mobilehome dealer may be licensed to sell mobilehomes at a branch location office without a display area as long as all other provisions of this section are met. The provisions of this subdivision are applicable to the sale of used mobilehomes only, and only at a branch location office which is not within a mobilehome park.

(e) All vehicles displayed pursuant to subdivision (b) or (c) shall be identified by a sign or device providing information relating to the dealer's name and the location and address of such dealer's established place of business.

(f) This section shall not be applicable to a dealer in snowmobiles.

CHAPTER 95

An act to amend Section 5536 of the Public Resources Code, relating to park districts.

[Approved by Governor June 11, 1977. Filed with Secretary of State June 11, 1977.]

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

SECTION 1. Section 5536 of the Public Resources Code is amended to read:

5536. The board shall establish rules for its proceedings and may provide by ordinance or resolution that each of its members shall receive for each attendance at the meetings of the board the sum of fifty dollars ($50). They shall not receive any other compensation, and a director shall not receive more than two hundred dollars ($200) in any one calendar month.

The board of directors shall fill all vacancies on the board, including those caused by the death or resignation of a member, or the establishment of new wards; but whenever a vacancy exists for 30 days the Governor shall fill the vacancy. The person appointed to fill any vacancy shall hold office for the remainder of the unexpired term of his predecessor; except that in the case of newly created wards, the directors shall, prior to making appointments, determine by lot for the purpose of fixing the terms of the first directors to be elected in such wards which ward shall have a four-year term and which ward shall have a two-year term, and the persons appointed to fill vacancies caused by the establishment of new wards shall hold office until the next general election following their appointment and until their successors are elected and qualified for the terms previously determined by lot.

CHAPTER 96

An act to amend Section 1775 of the Government Code, relating to vacancies in office.

[Approved by Governor June 13, 1977. Filed with Secretary of State June 13, 1977.]

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

SECTION 1. Section 1775 of the Government Code is amended to read:

1775. Whenever there is a vacancy in the office of the Superintendent of Public Instruction, the Lieutenant Governor, Secretary of State, Controller, Treasurer, or Attorney General, or on the State Board of Equalization, the Governor shall nominate a person to fill the vacancy who shall take office upon confirmation by a majority of the membership of the Senate and a majority of the membership of the Assembly and who shall hold office for the balance of the unexpired term. In the event the nominee is neither confirmed nor refused confirmation by both the Senate and the Assembly within 90 days of the submission of the nomination, the nominee shall take office as if he or she had been confirmed by a majority of the Senate and Assembly; provided, that if such 90-day period ends during a recess of the Legislature, the period shall be extended until the sixth day following the day on which the Legislature reconvenes.

After a vacancy has occurred in an office specified in this section and prior to the time such vacancy is filled as provided in this section, the chief deputy to the above constitutional officers shall discharge the duties of the office.

CHAPTER 97

An act to add Sections 6420, 7155.3, and 7184.1 to the Financial Code, relating to savings and loan associations.

[Approved by Governor June 13, 1977 Filed with Secretary of State June 13, 1977]

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

SECTION 1. Section 6420 is added to the Financial Code, to read:

6420. Subject to regulations of the commissioner, an association may, notwithstanding any other provision of law, issue investment certificates or withdrawable shares for fixed terms and bearing fixed returns which are evidenced by marketable certificates of deposit. An association may authorize a commercial bank insured by the Federal Deposit Insurance Corporation to prepare, sign and deliver such certificates and to collect and transmit funds obtained in connection therewith. Banks so authorized are not "collectors" or "salesmen" as defined in Sections 5059 and 5065.

SEC. 2. Section 7155.3 is added to the Financial Code, to read:

7155.3. Subject to the regulations of the commissioner an association may make loans or advances of credit, or invest in

interests therein, on the security of residential real property, which loans, advances of credit or investments are not otherwise authorized under the law because of the following reasons: (1) the security interest is not a first lien; (2) the loan-to-value ratio, stated maturity, or loan amount is in excess of the maximum allowable limits; (3) lack of any required borrower certification or required private mortgage insurance; (4) the loan would cause an applicable percentage-of-assets category to be exceeded; or (5) a combination of the foregoing factors. Investments made under the authority of this section are subject to the following:

(a) No association shall have investments under this section aggregating at any one time more than an amount equal to the lesser of (i) 2 percent of its total assets plus one-half percent of total assets for each percentage point of statutory net worth in excess of 4 percent of assets or (ii) 5 percent of its total assets;

(b) Each investment made under this section shall be fully documented to support the conclusion that it was made on a prudent basis;

(c) A secured investment will be deemed to be unsecured to the extent that it exceeds the appraised value or purchase price of the security therefor, whichever is less, at the time the investment is made.

The following types of investments shall be deemed not to have been made pursuant to this section: (1) investments authorized to be made under other authority; (2) investments which were made under the authority of this section, but were later authorized to be made under other authority; and (3) investments made under other authority that was subsequently revoked.

SEC. 3. Section 7184.1 is added to the Financial Code, to read:

7184.1. In addition to loans in which an investment may be made under Section 7184 and any other provision of the law and subject to regulations of the commissioner, an association may make, purchase or invest in loans directly for constructing, adding to, improving, altering, repairing, equipping, or furnishing what is or is expected to become residential real property, where the association relies substantially for repayment on the borrower's general credit standing and forecast of income, with or without other security, or the association relies on other assurances for repayment (including a third-party guaranty or similar obligations). Loans under the authority of this section shall be subject to the following:

(a) Each such loan shall be fully documented to establish:

(1) The purpose of the loan;

(2) The source and reliability of repayment;

(3) The reputation and proven capacity of the borrower;

(4) The quality of the security interest in any security other than real estate that is used as support;

(5) If the loan is for a business purpose, full financial statements (which are to be audited except in the most exceptional cases) of the borrower or the borrower's predecessor for three years prior to the loan;

(6) If the loan is for a business purpose, income forecasts, projections, cash flow statements, and budgets;

(7) Anything else necessary to establish the soundness of the loan; and

(8) Controls employed to ensure that actions on which the association relies are proceeding as scheduled.

(b) No association shall have investments under this section aggregating at any one time more than an amount equal to the lesser of (i) 2 percent of its total assets plus one-half percent of total assets for each percentage point of statutory net worth in excess of 4 percent of assets or (ii) 5 percent of its total assets.

(c) Loans may be made under this section for financing purchases of modular housing units, including financing of the shipping, insurance and similar costs related to the purchase of such units, provided that such units are to be installed for the borrower.

CHAPTER 98

An act to add Section 25912 to the Health and Safety Code, relating to asbestos, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 13, 1977 Filed with Secretary of State June 13, 1977.]

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

SECTION 1. Section 25912 is added to the Health and Safety Code, to read:

25912. Any building department of any city, county, city and county, or other enforcement agency charged with issuance and enforcement of building permits shall revoke any building permit if asbestos is being applied in violation of Section 25910 or require that corrective action be taken.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because the duties, obligations, or responsibilities imposed on local governmental entities or school districts by this act are such that related costs are incurred as part of their normal operating procedures.

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

In order that the public health may be protected from the health hazards of asbestos, it is essential that this act take effect immediately.

CHAPTER 99

An act to amend Section 11509 of the Vehicle Code, relating to vehicles.

[Approved by Governor June 13, 1977 Filed with Secretary of State June 13, 1977]

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

SECTION 1. Section 11509 of the Vehicle Code is amended to read:

11509. (a) The department, after notice and hearing, may suspend or revoke the license issued to an automobile dismantler upon the determination that the person to whom the license was issued is not lawfully entitled thereto or has committed any of the following acts:

(1) Has made or knowingly or negligently permitted any illegal use of the special plates issued to him.

(2) Used a false or fictitious name or knowingly made any false statement or concealed any material fact in any application or other document filed with the department.

(3) Failed to provide and maintain a clear physical division between the type of business licensed pursuant to this chapter and any other type of business conducted at the established place of business.

(4) Has violated one or more terms and provisions of Division 3 (commencing with Section 4000) or any rules and regulations adopted pursuant thereto.

(5) Has violated any of the terms or provisions of Division 4 (commencing with Section 10500) or any rules and regulations adopted pursuant thereto.

(6) Has violated one or more terms and provisions of Chapter 3 (commencing with Section 11500) of Division 5 or any rules and regulations adopted pursuant thereto.

(7) Has violated one or more terms and provisions of Part 5 (commencing with Section 10701) of Division 2 of the Revenue and Taxation Code or any rules and regulations adopted pursuant thereto.

(8) Has purchased, concealed, had in his possession, or otherwise acquired or disposed of a vehicle, knowing the same to be stolen.

(9) Has failed to meet and maintain the requirements for issuance of an automobile dismantler's license as provided in this code.

(10) Has failed to pay, within 30 days after written demand from the department, any fees or penalties due on vehicles acquired for dismantling which are not the subject of dispute. If the dismantler disputes the validity of such fees or penalties, the 30-day period shall not commence until the department, after review, has determined the fee or penalty to be due.

(11) Has submitted a check, draft, or money order to the department for any obligation or fees due the state and it is thereafter dishonored or refused payment upon presentation.

(12) Has failed to meet the terms and conditions of a previous agreement effected under the provisions of Section 11509.1.

(b) Any of the causes specified in Section 11503 as a cause for refusal to issue a license to an automobile dismantler applicant, shall be cause, after notice and hearing, to suspend or revoke a license and special plates issued to an automobile dismantler.

(c) Except as provided in Section 11509.1, every hearing as provided for in this chapter shall be held pursuant to the provisions of Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

CHAPTER 100

An act to amend Sections 89510 and 89512 of, and to repeal Section 89511 of, the Education Code, relating to the California State University and Colleges.

[Approved by Governor June 13, 1977. Filed with Secretary of State June 13, 1977]

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

SECTION 1. Section 89510 of the Education Code is amended to read:

89510. The trustees may grant a leave of absence without compensation to any nonacademic employee.

SEC. 2. Section 89512 of the Education Code is amended to read:

89512. Upon the expiration of the leave of absence granted pursuant to Section 89510 the employee to whom the leave of absence was granted is entitled to reinstatement in the position he held at the time the leave of absence was granted him, if the position is still in existence, or to any other comparable existing vacant position for which he is qualified.

SEC. 3. Section 89511 of the Education Code is repealed.

CHAPTER 101

An act relating to continuous school programs, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 13, 1977. Filed with Secretary of State June 13, 1977]

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

SECTION 1. (a) Notwithstanding Sections 37611 to 37614, inclusive, of the Education Code, if the governing board of the Soledad Union Elementary School District in Monterey County finds that a school housing emergency exists, and that the effects of the emergency can be reduced by implementing a continuous school program, it may establish and maintain a mandatory continuous school program at one or more of the schools under its jurisdiction only for the 1977–78 school year.

Such action may be taken only upon the recommendation of a community-based study group, which made its report in the 1976–77 fiscal year.

(b) In order to continue to operate such program in any school year after the first year of operation of the program, the requirements of Sections 37611 and 37616 of the Education Code shall be met.

SEC. 2. A finding made pursuant to Section 1 of this act at any time during the 1976–77 school year shall be effective to permit the establishment and maintenance of a continuous school program in the 1977–78 school year, whether such finding was made before or after the effective date of this act.

SEC. 3. The Soledad Union Elementary School District has discovered that a school housing emergency exists in the district, and that the effects of this emergency can be reduced or eliminated in the 1977–78 school year if the district were to operate a mandatory continuous school program, and have been so informed by a community-based study group. However, current statutory law requires that the process to implement a mandatory continuous school program begin at least by November 1 of the school year prior to the school year in which the program is to begin operation. Since the current statutory deadline cannot be met, and since the absence of continuous school programs in the Soledad Union Elementary School District will cause great hardship to the pupils thereof, it is essential to simplify the procedures for the implementation of the program during such emergencies.

Due to the unique circumstances of the school housing emergency which exists in the Soledad Union Elementary School District, and the limited nature of the exemption from general statutory requirements which is provided for in Section 1 of this act, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the Constitution.

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

In order that the governing board of the Soledad Union Elementary School District may commence operation of a continuous school program during the 1977–78 school year, as authorized by Section 1 of this act, and thus alleviate an existing

school housing emergency at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 102

An act to amend Section 480 of the Vehicle Code, relating to vehicles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 15, 1977 Filed with Secretary of State June 15, 1977]

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

SECTION 1. Section 480 of the Vehicle Code is amended to read:

480. A "power brake" is any braking gear or mechanism that aids in applying the brakes of a vehicle and which utilizes vacuum, compressed air, electricity, or hydraulic pressure developed by the motive power of that vehicle for that purpose.

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

Hydraulically activated power brakes represent new technology, are highly efficient, and are now in use on schoolbuses in accordance with Federal Motor Vehicle Safety Standard No. 105-75. In order to protect public health and safety, it is necessary that this act, permitting the use of such brakes on vehicles other than schoolbuses, take effect immediately.

CHAPTER 103

An act to add Section 234 to the Revenue and Taxation Code, relating to taxation.

[Approved by Governor June 15, 1977 Filed with Secretary of State June 15, 1977.]

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

SECTION 1. Section 234 is added to the Revenue and Taxation Code, to read:

234. (a) Any equipment attached to a residential or nonresidential building or swimming pool as part of a solar energy system shall be exempt from taxation, and assessors shall not consider the value of such equipment in assessing the value of such buildings. This

exemption shall only apply if the solar energy system is intended for actual use.

(b) This exemption shall be allowed if the owner of such property files with the assessor of the county in which such property is located a certified application for exemption on forms prescribed by the State Board of Equalization.

(c) The application required in subdivision (b) shall be filed with the county assessor after the last day of February and prior to the first Monday in May immediately preceding the fiscal year for which the exemption is claimed.

(d) The assessor shall review such exemption claim and make appropriate adjustments to the assessed value of property on which such solar energy systems are installed.

(e) Any solar energy system not in use for a period of 12 months shall be ineligible for the exemption specified in this section.

(f) Actions by the assessor pursuant to subdivision (d) shall be subject to appeals in the same manner as other assessments.

(g) For the purposes of this section:

(1) Solar energy system means any devices used to heat or cool the interior of a structure or swimming pool or to heat water for use within a structure or swimming pool that uses the heat of the sun as its primary energy source. Solar energy systems include but are not limited to, systems utilizing solar collectors, solar cells, and passive roof ponds.

(2) Residential building means any building heated or cooled in its interior and is of an occupancy type of Type H or I, as defined in the Uniform Building Code, 1974 edition, as adopted by the International Conference of Building Officials.

(3) Nonresidential building means any building which is heated or cooled in its interior, and is of an occupancy type other than Type H, I, or J, as defined in the Uniform Building Code, 1974 edition, as adopted by the International Conference of Building Officials.

(h) This section shall apply only to lien dates for fiscal years commencing in 1979 to 1983, inclusive.

SEC. 2. Notwithstanding Section 2229 of the Revenue and Taxation Code, there shall be no reimbursement by reason of the exemption granted by Section 234 of the Revenue and Taxation Code, as added by this act, nor is any appropriation made by this act, because the additional costs, if any, imposed on local government by this act are insignificant in nature and will not cause any financial burden on local government.

SEC. 3. There are no state-mandated local costs in this act that require reimbursement under Section 2231 of the Revenue and Taxation Code because there are no new duties, obligations or responsibilities imposed on local government by this act.

SEC. 4. This act shall become operative only if Senate Constitutional Amendment No. 15 of the 1977–78 Regular Session of the Legislature is approved by the voters at the primary election to be held in 1978.

CHAPTER 104

An act to amend Section 1463 of the Penal Code, relating to disposition of fines.

[Approved by Governor June 15, 1977. Filed with Secretary of State June 15, 1977]

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

SECTION 1. Section 1463 of the Penal Code is amended to read:

1463. Except as otherwise specifically provided by law:

(1) All fines and forfeitures including Vehicle Code fines and forfeitures collected upon conviction or upon the forfeiture of bail, together with moneys deposited as bail, in any municipal court or justice court, shall, as soon as practicable after the receipt thereof, be deposited with the county treasurer of the county in which such court is situated. The moneys so deposited shall be distributed as follows:

(a) Once a month there shall be transferred into the proper funds of the county an amount equal to the fines and forfeitures collected during the preceding month upon the conviction or upon the forfeiture of bail following arrests made by officers or other persons employed by the state or by the county in which such court is situated, exclusive of fines or forfeitures or forfeitures of bail collected from any person arrested by a state officer and charged with the commission of a misdemeanor under the Vehicle Code within the limits of a city within the county.

(b) Except as otherwise provided in this subdivision, once a month there shall be transferred into the traffic safety fund of each city in the county an amount equal to 50 percent of all fines and forfeitures collected during the preceding month upon the conviction or upon the forfeiture of bail from any person arrested by a state officer and charged with the commission of a misdemeanor under the Vehicle Code within that city, and an amount equal to the remaining 50 percent shall be transferred to the special road fund of the county; provided, however, that the board of supervisors of the county may, by resolution, provide that not more than 50 percent of the amount to be transferred to the special road fund of the county, be transferred into the general fund of the county.

Once a month there shall be transferred into the general fund of the county an amount equal to that percentage of the fines and forfeitures collected during the preceding month upon the conviction or upon the forfeiture of bail from any person arrested by a state officer and charged with the commission of a misdemeanor under the Vehicle Code on state highways constructed as freeways whereon city police officers enforced the provisions of the Vehicle Code on April 1, 1965, within the limits of a city within the county which is set forth in the schedule appearing in subparagraph (c) of

this paragraph (1). If this paragraph is applicable within a city, it shall apply uniformly throughout the city to all freeways regardless of the date of freeway construction or completion.

(c) Once a month there shall be transferred into the general fund of the county an amount equal to that percentage of the fines and forfeitures collected during the preceding month upon conviction or upon the forfeiture of bail following arrests made by officers or other persons employed by each city in the county which is set forth in the following schedule:

County and city	Percentage
Alameda	
Alameda	18
Albany	29
Berkeley	19
Emeryville	13
Hayward	10
Livermore	7
Oakland	22
Piedmont	44
Pleasanton	17
San Leandro	9
County percentage	21
Amador	
Amador	25
Ione	25
Jackson	25
Plymouth	25
Sutter Creek	25
County percentage	29
Butte	
Biggs	75
Chico	22
Gridley	49
Oroville	9
County percentage	20
Calaveras	
Angels	62
County percentage	62
Colusa	
Colusa	13
Williams	17
County percentage	16
Contra Costa	
Antioch	11
Brentwood	24
Concord	18
El Cerrito	19
Hercules	14

Martinez	22
Pinole	22
Pittsburg	5
Richmond	14
San Pablo	12
Walnut Creek	24
County percentage	14
Del Norte	
Crescent City	19
County percentage	19
El Dorado	
Placerville	14
County percentage	14
Fresno	
Clovis	23
Coalinga	21
Firebaugh	16
Fowler	34
Fresno	26
Huron	24
Kerman	14
Kingsburg	34
Mendota	11
Orange Cove	24
Parlier	21
Reedley	30
Sanger	29
San Joaquin	15
Selma	14
County percentage	24
Glenn	
Orland	27
Willows	36
County percentage	32
Humboldt	
Arcata	9
Blue Lake	26
Eureka	11
Ferndale	30
Fortuna	17
Trinidad	11
County percentage	11
Imperial	
Brawley	8
Calexico	10
Calipatria	30
El Centro	5
Holtville	16
Imperial	6

Westmorland	12
County percentage	8
Inyo	
Bishop	25
County percentage	25
Kern	
Bakersfield	10
Delano	13
Maricopa	36
Shafter	15
Taft	19
Tehachapi	12
Wasco	28
County percentage	12
Kings	
Corcoran	31
Hanford	21
Lemoore	25
County percentage	25
Lake	
Lakeport	33
County percentage	33
Lassen	
Susanville	21
County percentage	21
Los Angeles	
Alhambra	13
Arcadia	11
Avalon	54
Azusa	11
Bell	11
Beverly Hills	14
Burbank	14
Claremont	5
Compton	16
Covina	11
Culver City	10
El Monte	11
El Segundo	11
Gardena	22
Glendale	16
Glendora	12
Hawthorne	7
Hermosa Beach	14
Huntington Park	12
Inglewood	16
La Verne	14
Long Beach	14
Los Angeles	8

Lynwood	9
Manhattan Beach	13
Maywood	15
Monrovia	11
Montebello	11
Monterey Park	11
Palos Verdes Estates	10
Pasadena	9
Pomona	12
Redondo Beach	15
San Fernando	17
San Gabriel	16
San Marino	5
Santa Monica	11
Sierra Madre	11
Signal Hill	24
South Gate	13
South Pasadena	9
Torrance	16
Vernon	25
West Covina	11
Whittier	11
County percentage	11
Madera	
Chowchilla	17
Madera	16
County percentage	17
Marin	
Belvedere	16
Corte Madera	12
Fairfax	30
Larkspur	30
Mill Valley	13
Ross	18
San Anselmo	11
San Rafael	13
Sausalito	21
County percentage	16
Mendocino	
Fort Bragg	19
Point Arena	40
Ukiah	10
Willits	24
County percentage	17
Merced	
Atwater	23
Dos Palos	21
Gustine	23
Livingston	14

Los Banos	13
Merced	18
County percentage	18
Modoc	
Alturas	42
County percentage	42
Monterey	
Carmel	17
Gonzales	10
Greenfield	13
King City	36
Monterey	13
Pacific Grove	22
Salinas	36
Soledad	16
County percentage	23
Napa	
Calistoga	37
Napa	11
St. Helena	12
County percentage	14
Nevada	
Grass Valley	7
Nevada City	17
County percentage	9
Orange	
County percentage	15
Placer	
Auburn	18
Colfax	8
Lincoln	26
Rocklin	16
Roseville	10
County percentage	14
Plumas	
Portola	19
County percentage	19
Riverside	
Banning	35
Beaumont	15
Blythe	9
Coachella	12
Corona	12
Elsinore	10
Hemet	35
Indio	16
Palm Springs	35
Perris	14
Riverside	16

San Jacinto	41
County percentage	35
Sacramento	
Folsom	31
Galt	25
Isleton	13
North Sacramento	10
Sacramento	21
County percentage	26
San Benito	
Hollister	9
San Juan Bautista	28
County percentage	11
San Bernardino	
Barstow	23
Chino	14
Colton	21
Fontana	15
Needles	33
Ontario	20
Redlands	28
Rialto	15
San Bernardino	20
Upland	14
County percentage	20
San Diego	
Carlsbad	8
Chula Vista	23
Coronado	25
Del Mar	8
El Cajon	17
Escondido	16
Imperial Beach	8
La Mesa	23
National City	14
Oceanside	15
San Marcos	8
Vista	8
San Diego	6
County percentage	25
San Joaquin	
Lodi	18
Manteca	8
Ripon	11
Stockton	14
Tracy	15
County percentage	14
San Luis Obispo	
Arroyo Grande	9

Paso Robles	26
Pismo Beach	8
San Luis Obispo	21
County percentage	16
San Mateo	
Atherton	27
Belmont	7
Burlingame	38
Colma	40
Daly City	24
Hillsborough	75
Menlo Park	12
Millbrae	16
Redwood City	27
San Bruno	13
San Carlos	8
San Mateo	42
South San Francisco	12
County percentage	21
Santa Barbara	
Guadalupe	28
Lompoc	16
Santa Barbara	11
Santa Maria	12
County percentage	13
Santa Clara	
Alviso	75
Campbell	16
Gilroy	28
Los Altos	16
Los Gatos	30
Morgan Hill	11
Mountain View	13
Palo Alto	21
San Jose	13
Santa Clara	16
Sunnyvale	26
County percentage	16
Santa Cruz	
Capitola	21
Santa Cruz	23
Watsonville	21
County percentage	22
Shasta	
Redding	22
County percentage	22
Sierra	
Loyalton	75
County percentage	75

Siskiyou	
Dorris	18
Dunsmuir	29
Etna	18
Fort Jones	46
Montague	75
Mount Shasta	37
Tulelake	33
Yreka	30
County percentage	29
Solano	
Benicia	17
Dixon	18
Fairfield	18
Rio Vista	19
Suisun	7
Vacaville	15
Vallejo	18
County percentage	19
Sonoma	
Cloverdale	37
Healdsburg	33
Petaluma	24
Santa Rosa	14
Sebastopol	28
Sonoma	28
County percentage	19
Stanislaus	
Ceres	14
Modesto	15
Newman	10
Oakdale	15
Patterson	20
Riverbank	18
Turlock	19
County percentage	15
Sutter	
Live Oak	17
Yuba City	17
County percentage	17
Tehama	
Corning	26
Red Bluff	39
Tehama	10
County percentage	31
Tulare	
Dinuba	21
Exeter	23
Lindsay	24

Porterville	26
Tulare	20
Visalia	17
Woodlake	15
County percentage	21
Tuolumne	
Sonora	23
County percentage	23
Ventura	
Fillmore	16
Ojai	16
Oxnard	16
Port Hueneme	16
Santa Paula	16
Ventura	16
County percentage	16
Yolo	
Davis	22
Winters	19
Woodland	20
County percentage	20
Yuba	
Marysville	15
Wheatland	38
County percentage	15

In any county for which a county percentage is set forth in the above schedule and which contains a city which is not listed or which is hereafter created, there shall be transferred to the county general fund the county percentage. In any county for which no county percentage is set forth, and in which a city is hereafter created, there shall be transferred to the county general fund 15 percent.

A county and a city therein may, by mutual agreement, adjust the percentages herein.

(d) Once a month there shall be transferred to each city in the county an amount equal to the total sum remaining after the transfers provided for in subparagraphs (b) and (c) above have been made of the fines and forfeitures collected during the preceding month upon conviction or upon the forfeiture of bail following arrests made by officers or other persons employed by such city or arrests made by state officers for misdemeanor violations of the Vehicle Code.

(2) Any money deposited with such court or with the clerk thereof which, by order of the court or for any other reason, should be returned in whole or in part to any person, or which is by law payable to the state or to any other public agency, shall be paid to such person or to the state or to such other public agency by warrant of the county auditor, which shall be drawn upon the requisition of

the clerk of such court.

All money deposited as bail which has not been claimed within one year after the final disposition of the case in which such money was deposited, or within one year after an order made by the court for the return or delivery of such money to any person, shall be apportioned between the city and the county and paid or transferred in the manner hereinabove provided for the apportionment and payment of fines and forfeitures. This paragraph shall control over any conflicting provisions of law.

SEC. 2. Notwithstanding Sections 2229 and 2230 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to those sections nor shall there be any appropriation made by this act because there are no state-mandated local costs in this act and any revenue loss implied herein is not reimbursable under Sections 2229 and 2230 of the Revenue and Taxation Code.

CHAPTER 105

An act to amend Sections 4456, 11700, and 11715 of the Vehicle Code, relating to vehicles.

[Approved by Governor June 15, 1977 Filed with Secretary of State June 15, 1977]

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

SECTION 1. Section 4456 of the Vehicle Code is amended to read:

4456. (a) The department may authorize dealers and lessor-retailers licensed by the department to use numbered copies of the report of sale form upon vehicles they sell.

(b) Such copies shall be used pursuant to rules and regulations prescribed by the department and upon the terms and conditions set forth in this section.

(c) New and used vehicles not licensed in this state may be operated without license plates or registration cards and used vehicles licensed in this state may be operated without registration cards not to exceed 20 days from the date sold by a dealer or until the license plates or cards are received from the department when a copy of the report of sale form is used and displayed in accordance with the rules and regulations of the department, provided that the dealer meets the following terms and conditions:

(1) The copy of the report of sale shall be affixed to the appropriate vehicle upon delivery to a purchaser.

(2) All fees and any penalties which may be due the department to register or transfer registration of the vehicle are paid over to the department by the selling dealer within 20 days of the sale.

(3) The sale of the vehicle shall be reported to the department as

required by Section 5901.

(4) An application in proper form to register the vehicle or to effect transfer of ownership, together with the required supporting documents shall be submitted to the department on behalf of the purchaser. If, however, such documents do not include the regularly required evidence of ownership, the dealer shall also submit a motor vehicle bond or undertaking as provided for in Section 4157, or an affidavit or other information as provided for in Section 5911, or both.

(d) The use by any dealer or lessor-retailer of a report of sale copy as provided herein shall obligate the dealer to pay the fees and penalties determined by the department to be due on the vehicle under Division 3 (commencing with Section 4000) of the Vehicle Code and Part 5 (commencing with Section 10701) of Division 2 of the Revenue and Taxation Code and which have been advanced to the dealer or lessor-retailer by the customer either by cash, trade-in or under the provisions of a contract, and those penalties which have accrued because of failure of the dealer or lessor-retailer to make timely or proper application for his customer.

SEC. 2. Section 11700 of the Vehicle Code is amended to read:

11700. It shall be unlawful for any person to act as a dealer, manufacturer, or transporter, and, on and after July 1, 1974, it shall be unlawful for any person to act as a manufacturer branch, distributor, or distributor branch, without having first procured a license as required in Section 11701 or temporary permit issued by the department, or when such license or temporary permit issued by the department has been canceled, suspended, revoked, invalidated, expired, or the terms and conditions of an agreement effected pursuant to Section 11707 have not been fulfilled.

SEC. 3. Section 11715 of the Vehicle Code is amended to read:

11715. (a) A manufacturer, distributor or dealer owning or lawfully possessing any vehicle of a type otherwise required to be registered hereunder may operate or move such vehicle upon the highways without registering each such vehicle upon condition that any such vehicle display thereon special plates issued to such owner as provided in this chapter, in addition to other license plates or permits already assigned and attached to the vehicle in the manner prescribed in Sections 5200 to 5203, inclusive. Such vehicles may also be moved or operated for the purpose of towing or transporting by any lawful method other vehicles.

(b) A transporter may operate or move any owned or lawfully possessed vehicle of like type by any lawful method upon the highways solely for the purpose of delivery upon condition that there be displayed upon each vehicle in contact with the highway special license plates issued to such transporter as provided in this chapter, in addition to any license plates or permits already assigned and attached to the vehicle in the manner prescribed in Sections 5200 to 5203, inclusive. Such vehicles may be used for the purpose of towing or transporting by any lawful method other vehicles when the towing or transporting vehicle is being delivered for sale or to the owner thereof.

(c) The provisions of this section do not apply to any manufacturer, transporter, distributor or dealer operating or moving a vehicle as provided in Section 11716.

(d) The provisions of this section do not apply to work or service vehicles owned by a manufacturer, transporter, distributor or dealer. They do not apply to vehicles owned and leased by dealers, except those vehicles rented or leased to vehicle salesmen in the course of their employment for purposes of display or demonstration, nor to any unregistered vehicles used to transport more than one load of other vehicles for the purpose of sale.

(e) The provisions of this section do not apply to vehicles currently registered in this state which are owned and operated by a licensed dealer when the notice of transfer has been forwarded to the department by the former owner of record pursuant to Section 5900 and when a copy of the notice is displayed as follows:

(1) For a motorcycle or motor-driven cycle, the notice shall be displayed in a conspicuous manner upon the vehicle.

(2) For a vehicle other than a motorcycle or motor-driven cycle, the notice shall be displayed in the lower right-hand corner of the windshield of the vehicle, as specified in paragraph (3) of subdivision (b) of Section 26708.

(f) Every owner upon receipt of a registration card issued for special plates shall maintain the same or a facsimile copy thereof with the vehicle bearing the special plates.

SEC. 4. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there by an appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local governmental entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 106

An act to amend Section 53200.3 of the Government Code, relating to employee benefits.

[Approved by Governor June 15, 1977 Filed with Secretary of State June 15, 1977]

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

SECTION 1. Section 53200.3 of the Government Code is amended to read:

53200.3. For the limited purpose of the application of this article, judges of the superior and municipal courts and the officers and

attachés of said courts whose salaries are paid either in whole or in part from the salary fund of the county are county employees and shall be subject to the same or similar obligations and be granted the same or similar employee benefits as are now required or granted to employees of the county in which the court of said judge, officer, or attaché is located.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because this act is declaratory of existing practice.

CHAPTER 107

An act to amend Section 25250 of the Government Code, and to amend Sections 926 and 933 of, to repeal and add Section 925 of, and to repeal Section 929 of, the Penal Code, relating to audits of counties.

[Approved by Governor June 15, 1977 Filed with Secretary of State June 15, 1977]

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

SECTION 1. Section 25250 of the Government Code is amended to read:

25250. At least every 12 months the board of supervisors shall examine and audit, or cause to be audited, the financial accounts and records of all officers having responsibility for the care, management, collection, or disbursement of money belonging to the county or money received or disbursed by them under authority of law. This financial examination or audit may be performed in coordination with the investigations conducted by the grand jury under Section 925 of the Penal Code, or the board of supervisors may resolve to accept reports delivered pursuant to Section 933 of the Penal Code in lieu of its own separate examination if such reports are found to fulfill some or all of the requirements of this section. In connection with the requirements of this section and Section 25253, the board of supervisors may employ the services of an independent certified public accountant or licensed public accountant to perform an examination of the financial statements in accordance with generally accepted auditing standards.

SEC. 2. Section 925 of the Penal Code is repealed.

SEC. 3. Section 925 is added to the Penal Code, to read:

925. The grand jury shall investigate and report on the operations, accounts, and records of the officers, departments, or functions of the county including those operations, accounts, and records of any special legislative district or other district in the county created pursuant to state law for which the officers of the county are serving

in their ex officio capacity as officers of the districts. The investigations may be conducted on some selective basis each year, but the grand jury shall not duplicate any examination of financial statements which has been performed by or for the board of supervisors pursuant to Section 25250 of the Government Code; this provision shall not be construed to limit the power of the grand jury to investigate and report on the operations, accounts, and records of the officers, departments, or functions of the county. The grand jury may enter into a joint contract with the board of supervisors to employ the services of an expert as provided for in Section 926.

SEC. 4. Section 926 of the Penal Code is amended to read:

926. (a) If, in the judgment of the grand jury, the services of one or more experts are necessary for the purposes of Sections 925, 925a, 928 and 933.5 or any of them, the grand jury may employ one or more experts, at an agreed compensation, to be first approved by the court. If, in the judgment of the grand jury, the services of assistants to such experts are required, the grand jury may employ such assistants, at a compensation to be agreed upon and approved by the court. Expenditures for the services of experts and assistants for the purposes of Section 933.5 shall not exceed the sum of thirty thousand dollars ($30,000) annually, unless such expenditures shall also be approved by the board of supervisors.

(b) When making an examination of the books, records, accounts, and documents maintained and processed by the county assessor, the grand jury, with the consent of the board of supervisors, may employ expert auditors or appraisers to assist in the examination. Auditors and appraisers, while performing pursuant to the directive of the grand jury, shall have access to all records and documents that may be inspected by the grand jury subject to the same limitations on public disclosure as apply to the grand jury.

(c) Any contract entered into by a grand jury pursuant to this section may include services to be performed after the discharge of the jury, but in no event may a jury contract for services to be performed later than six months after the end of the fiscal year during which the jury was impaneled.

SEC. 5. Section 929 of the Penal Code is repealed.

SEC. 6. Section 933 of the Penal Code is amended to read:

933. (a) No later than one month after the end of each fiscal year of a county, each grand jury impaneled during that fiscal year shall submit to the presiding judge of the superior court a final report of its findings and recommendations that pertain to county government matters other than fiscal matters during the fiscal year.

(b) No later than six months after the end of each fiscal year of a county, each grand jury impaneled during the succeeding fiscal year shall submit to the presiding judge of the superior court a final report of its findings and recommendations that pertain to fiscal matters of county government during the previous fiscal year of the county.

(c) No later than 60 days after the grand jury submits any final report, the board of supervisors shall comment on the findings and

recommendations of the grand jury that pertain to county government matters under the control of the board and every elective county officer shall report to the board of supervisors on the findings and recommendatins pertaining to such county officer. All such comments and reports shall forthwith be submitted to the presiding judge of the superior court who impaneled the grand jury for the previous fiscal year. A copy thereof shall be placed on file with the county clerk and shall remain on file in the office of the county clerk.

CHAPTER 108

An act to amend Section 13501 of the Penal Code, relating to the Commission on Peace Officer Standards and Training.

[Approved by Governor June 15, 1977. Filed with Secretary of State June 15, 1977]

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

SECTION 1. Section 13501 of the Penal Code is amended to read:

13501. The commission shall select a chairman and a vice chairman from among its members. A majority of the members of the commission shall constitute a quorum.

CHAPTER 109

An act relating to school district revenue limit elections, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 22, 1977 Filed with Secretary of State June 22, 1977]

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

SECTION 1. The Maxwell Unified School District faces a serious and immediate financial crisis due to factors beyond its control. The district's taxing ability is severely limited by the current drought situation which has affected the financial resources of farmers who are the principal landowners of taxable property within the district. In an effort to reduce costs, the governing board of the school district has drastically curtailed pupil transportation, food services, library, and custodial services. Electors of the district have twice petitioned the governing board to conduct an election to increase the revenue limit of the district, indicating their willingness to absorb a limited tax increase, so long as the revenues will inure to the benefit of the

district. However, the proposed tax increase would be insufficient if placed before the electorate after July 1, 1977, at which time the power equalizing features of Chapter 323 of the Statutes of 1976 become effective.

SEC. 2. Notwithstanding the establishment of election dates by any other provision of law, there may be conducted on June 28, 1977, an election to increase the revenue limit per unit of average daily attendance for the Maxwell Unified School District. Such election shall otherwise be ordered, called, held, and conducted in accordance with Section 42202 of the Education Code.

The school district governing board, the county superintendent of schools, and the county clerk shall, to the extent practicable, comply with all statutorily prescribed notice and procedural requirements in order to conduct the election on June 28, 1977; provided, however, that the official responsible for complying with such requirements may waive any prescribed time limits to the extent necessary to enable the election to be held on such date.

SEC. 3. Due to unique circumstances existing in the Maxwell Unified School District, as described in Section 1 of this act, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the Constitution.

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

Electors residing within the Maxwell Unified School District have petitioned the governing board of the district to conduct an election to increase the revenue limit of the district. Constraints presently imposed by law do not permit the election to be held prior to July 1, 1977, after which time any increase in the district's tax rate will be subject to power equalizing mandated by Chapter 323 of the Statutes of 1976, thus rendering the proposed tax rate increase insufficient to remedy the district's present financial crisis. It is therefore necessary that this act take effect immediately.

CHAPTER 110

An act to amend Sections 987.60, 987.61, 987.64, 987.65, and 987.71 of the Military and Veterans Code, relating to veterans and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 22, 1977. Filed with Secretary of State June 22, 1977]

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

SECTION 1. Section 987.60 of the Military and Veterans Code is amended to read:

987.60. The department may acquire such farm or home from the owner thereof or may contract with a veteran for the construction of a dwelling house and other improvements for a farm or home, upon the terms agreed if:

(a) The department is satisfied of the desirability of the property submitted.

(b) The veteran has agreed with the department that he or members of his immediate family will actually reside on the property within 60 days from the date of purchase by the department, or if the residence on the property is not complete on the date of purchase, within 60 days after the residence is completed.

(c) The sum to be expended by the department pursuant to a contract for the construction of a dwelling house and other improvements does not exceed forty-three thousand dollars ($43,000).

(d) Where the department is to contract with a veteran for the construction of a dwelling house and other buildings, or for the purchase of a mobilehome:

(1) The veteran is the owner in fee of the real property on which the dwelling house and other buildings are to be constructed, or is the owner in fee of the real property or the owner of an undivided interest in common in a portion of a parcel of real property on which a mobilehome is to be situate, and agrees to convey that property to the department without cost.

(2) The veteran has paid a reasonable fee set by the department to cover the cost of such preliminary service of the department as may be necessary to process the application.

(3) The veteran has filed with the department adequate plans and specifications for the improvements to be constructed upon said real property, together with a contract, executed by a contractor licensed by the State of California for the construction of said improvements in accordance with said plans and specifications within eight months after the acquisition of said real property by the department, and a bond executed by the contractor providing for compliance with the terms of said contract and for the payment of materialmen and labor furnishing material or labor on the job, executed by a surety company, authorized to do business in the State of California.

(4) The plans, specifications, contract and bond are approved by the department.

(5) The veteran has placed in escrow, all sums of money to be advanced by him where the cost is in excess of the maximum that may be expended by the department.

As used in this section "immediate family" includes only the following:

Spouse, children, either natural or adoptive; and the parents if they are dependent upon the veteran for 50 percent or more of their support.

SEC. 2 Section 987.6i of the Military and Veterans Code is amended to read:

987.61. The department may purchase property, subject to a participation contract providing for a loan term of not less than 23 years. In no event shall the purchase price plus the participation contract exceed forty-three thousand dollars ($43,000) or equal more than 95 percent of the market value of the property as determined by department appraisal, whichever is the lower amount.

SEC. 3. Section 987.64 of the Military and Veterans Code is amended to read:

987.64. The department shall not acquire a home under the provisions of this article where the market value of the improvements exceeds the sum of fifty-three thousand dollars ($53,000), to be determined by an appraiser or an authorized representative of the department.

SEC. 4. Section 987.65 of the Military and Veterans Code is amended to read:

987.65. The purchase price of a home to the department shall not exceed forty-three thousand dollars ($43,000), except that the purchase price of a mobilehome to the department shall not exceed twelve thousand five hundred dollars ($12,500), and a veteran purchasing the home may advance, subject to the provisions of Section 987.64, the difference between the total price or cost of the home and the sum of the purchase price of the home to the department and any amount the department is required under Section 987.69 of this code to add to the purchase price of the home in fixing the selling price thereof to the veteran. Any amount of the purchase price to the department may be provided by funds from participation contracts or revenue bonds. The purchase price of a farm to the department shall not exceed eighty thousand dollars ($80,000), and a veteran purchasing the farm may advance the difference between the total price of the farm or cost of the dwelling and improvements to be constructed on a farm under a contract and the sum of such purchase price to the department or contract price to the department and any amount which the department is required under Section 987.69 of this code to add to such purchase or contract price to the department in fixing the selling price of the farm to the veteran.

SEC. 5. Section 987.71 of the Military and Veterans Code is amended to read:

987.71. The purchaser shall make an initial payment of at least 10 percent of the selling price of the property, in case of a farm, and 3 percent in the case of a home where the purchase price is equal to or less than thirty-five thousand dollars ($35,000) or 5 percent in the case of a home where the purchase price is greater than thirty-five thousand dollars ($35,000). The department may waive the initial payment in any case where the value of the property as determined by the department appraisal shall equal the amount to be paid by the department plus at least 10 percent in the case of a farm, and 3

percent in the case of a home where the purchase price is equal to or less than thirty-five thousand dollars ($35,000) or 5 percent in the case of a home where the purchase price is greater than thirty-five thousand dollars ($35,000). The balance of the purchase price may be amortized over a period fixed by the department, not exceeding 40 years for farms or homes, but not exceeding 15 years for mobilehomes, together with interest thereon at the rate as determined by the department pursuant to Section 987.87 for such amortization purposes. The purchaser on any installment date may pay any or all installments still remaining unpaid. In any individual case the department may for good cause postpone from time to time upon terms as the department deems proper, the payment of the whole or any part of any installment of the purchase price or interest thereon. Each installment shall include an amount sufficient to pay the principal and interest on the participation contract to which the interest of the department is subject, and such amount as may be required by any covenant or provision contained in any resolution of issuance.

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

In order that the benefits of this act shall be available to veterans as soon as possible, this act must take effect immediately.

CHAPTER 111

An act making an appropriation in augmentation of Item 288 of the Budget Act of 1976, relating to Medi-Cal and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 22, 1977 Filed with Secretary of State June 22, 1977]

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

SECTION 1. The sum of twenty-eight million six hundred fourteen thousand seven hundred dollars ($28,614,700) is hereby appropriated from the General Fund to the Department of Finance for allocation to the State Department of Health, in augmentation of Item 288 of the Budget Act of 1976, for the purpose of meeting estimated increases in costs for the Medi-Cal Program.

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

In order to meet the estimated increase in hospital costs resulting from the recent court decision involving Medi-Cal and the State

Department of Health, it is necessary that this act take effect immediately.

CHAPTER 112

An act to amend Sections 3204, 3205, 3205.5, 3207, 3208, 3250, 3251, 3410, 3412, 3723.5, 3726, and 3728.5 of, to add Sections 3205.1 and 3725.5 to, and to repeal Sections 3206 and 3208.5 of, the Public Resources Code, relating to oil, gas, and geothermal wells, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1977 Filed with Secretary of State June 28, 1977]

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

SECTION 1. Section 3204 of the Public Resources Code is amended to read:

3204. Every person who engages in the drilling, redrilling, deepening, or in any operation permanently altering the casing, of any well shall file with the supervisor an individual indemnity bond in the specified sum for each well so drilled, redrilled, deepened, or permanently altered. Such sum shall be ten thousand dollars ($10,000) for each well less than 5,000 feet deep, fifteen thousand dollars ($15,000) for each well at least 5,000 feet but less than 10,000 feet deep, and twenty-five thousand dollars ($25,000) for each well 10,000 or more feet deep. The bond shall be filed with the supervisor at the time of the filing of the notice of intention to perform work on the well, as provided in Section 3203. The bond shall be executed by such person, as principal, and by an authorized surety company, as surety, conditioned that the principal named in the bond shall faithfully comply with all the provisions of this chapter, in drilling, redrilling, deepening, or permanently altering the casing in any well or wells covered by the bond, and shall secure the state against all losses, charges, and expenses incurred by it to obtain such compliance by the principal named in the bond.

The conditions of the bond shall be stated in substantially the following language: "If said _____, the above bounden principal, shall well and truly comply with all the provisions of Division 3 (commencing with Section 3000) of the Public Resources Code and shall obey all lawful orders of the State Oil and Gas Supervisor or his district deputy or deputies, subject to subsequent appeal as provided in that division, and shall pay all charges, costs, and expenses incurred by the supervisor or his district deputy or deputies in respect of such well or wells or the property or properties of said principal, or assessed against such well or wells or the property or properties of such principal, in pursuance of the provisions of said division, then this obligation shall be void; otherwise, it shall remain

in full force and effect."

SEC. 2. Section 3205 of the Public Resources Code is amended to read:

3205. Any person who engages in the drilling, redrilling, deepening, or in any operation permanently altering the casing, of one or more wells at any time, may file with the supervisor one blanket indemnity bond for one hundred thousand dollars ($100,000) to cover all his operations in drilling, redrilling, deepening, or permanently altering the casing in any of his wells in the state in lieu of an individual indemnity bond for each such operation as required by Section 3204. The bond shall be executed by such person, as principal, and by an authorized surety company, as surety, and shall be in substantially the same language and upon the same conditions as provided in Section 3204, except as to the difference in the amount.

SEC. 2.5. Section 3205.1 is added to the Public Resources Code, to read:

3205.1. Notwithstanding the provisions of Sections 3204 and 3205, any person who engages in the drilling, redrilling, deepening, or in any operation permanently altering the casing, of one or more wells located on submerged lands under ocean waters within the jurisdiction of the State of California, shall file with the supervisor a blanket indemnity bond for two hundred fifty thousand dollars ($250,000) to cover all his operations in drilling, redrilling, deepening, or permanently altering the casing in any of his wells located on such submerged lands. The bond shall be executed by such person, as principal, and by an authorized surety company, as surety, and shall be in substantially the same language and upon the same conditions as provided in Section 3204, except for the difference in the amount.

SEC. 3. Section 3205.5 of the Public Resources Code is amended to read:

3205.5. In lieu of the bond required by Sections 3204, 3205, and 3205.1, a person may, with the written approval of the supervisor, file a cash bond in the applicable amount, evidence of deposit in banks authorized to do business in this state and insured by the Federal Deposit Insurance Corporation, investment certificates or share accounts in the applicable amount issued by a savings and loan association doing business in this state and insured by the Federal Savings and Loan Insurance Corporation, or bonds issued by the United States or the State of California in the principal amounts of twelve thousand dollars ($12,000), eighteen thousand dollars ($18,000), thirty thousand dollars ($30,000), one hundred twenty thousand dollars ($120,000), or three hundred thousand dollars ($300,000), whichever is applicable, with the State Treasurer. Such bond or security filed in lieu thereof shall be subject to all conditions set forth in Sections 3204, 3205.1, 3207, and 3208.

SEC. 3.5. Section 3206 of the Public Resources Code is repealed.

SEC. 4. Section 3207 of the Public Resources Code is amended to read:

3207. Any individual or blanket indemnity bond issued in compliance with this chapter may be terminated and canceled and the surety be relieved of all obligations thereunder when the well or wells covered by such bond have been properly completed or abandoned or another valid bond has been substituted therefor. Should the person who has filed a blanket bond properly complete or abandon a portion of his wells covered by the bond, the bond may be terminated and canceled and the surety be relieved of all obligations thereunder upon the filing by such person of an individual bond for each well which is still not producing or which he is still engaged in drilling, redrilling, deepening, or permanently altering the casing. Liability as to individual wells that have been completed or drilled and abandoned under a blanket bond may also be terminated.

SEC. 5. Section 3208 of the Public Resources Code is amended to read:

3208. For the purposes of Section 3207, a well is properly completed to production of oil or gas when it has been shown to the satisfaction of the supervisor that the manner of producing oil or gas therefrom is satisfactory and that the well has maintained production of oil or gas for a continuous six-month period. A well is properly abandoned when it has been shown to the satisfaction of the supervisor that all proper steps have been taken to shut off and exclude all water from oil-bearing or gas-bearing strata encountered in the well, and to protect underground or surface water suitable for irrigation or farm or domestic purposes from the infiltration or addition of any detrimental substance and to prevent subsequent damage to life, health, property, and other resources.

SEC. 5.5. Section 3208.5 of the Public Resources Code is repealed.

SEC. 6. Section 3250 of the Public Resources Code is amended to read:

3250. The Legislature hereby finds and declares that certain idle deserted and hazardous oil and gas wells, as defined in this article, are public nuisances and that it is essential, in order to protect life, health, and natural resources that such oil and gas wells be abandoned, reabandoned, produced, or otherwise remedied to mitigate, minimize, or eliminate their danger to life, health, and natural resources.

The Legislature further finds and declares that, although the abatement of such public nuisances could be accomplished by means of an exercise of the regulatory power of the state, such regulatory abatement would result in unfairness and financial hardship for certain landowners, while also resulting in benefits to the public. The Legislature, therefore, finds and declares that the expenditure of funds to abate such nuisances as provided in this article is for a public purpose and finds and declares it to be the policy of this state that the cost of carrying out such abatement be charged to this state's

producers of oil and gas as provided in Article 7 (commencing with Section 3400) of this chapter.

SEC. 7. Section 3251 of the Public Resources Code is amended to read:

3251. For the purposes of this article, an oil or gas well is a "hazardous well" if the well has been determined by the supervisor to presently pose a danger to life, health, or natural resources; and the provisions of subdivisions (a) and (b) of this section apply. Also, for the purposes of this article, an oil or gas well is an "idle deserted well" if the provisions of Section 3237 and subdivisions (a) and (b) of this section apply.

(a) Regulatory abatement of such a public nuisance is not possible because the last operator that had an economic interest in, or received any benefit from, the well is deceased, defunct, or no longer in business in this state.

(b) The present surface owner and mineral estate owners derived no substantial financial gain from the well. In making the determination respecting financial gain, the supervisor may seek such information and require such proof of these matters as may be desirable or necessary.

SEC. 8. Section 3410 of the Public Resources Code is amended to read:

3410. The department shall, on or before June 15th of each year, acting in conjunction with the Department of Finance, make an estimate of the amount of money which will be required to carry out the provisions of this chapter, including any adjustments for savings or increased expenditures in the current and prior fiscal years.

SEC. 9. Section 3412 of the Public Resources Code is amended to read:

3412. On or before the 15th of June of each year, the department shall determine the rate or rates which will produce the sums necessary to be raised as provided in Section 3410. Within the same time, the department shall extend into the proper column of the record of assessments the amount of charges due from each person.

SEC. 10. Section 3723.5 of the Public Resources Code is amended to read:

3723.5. Any person who acquires the ownership or operation of any well or wells, whether by purchase, transfer, assignment, conveyance, exchange, or otherwise, shall, within 30 days after acquiring the well or wells, file with the supervisor an individual indemnity bond in the sum of twenty-five thousand dollars ($25,000) for each well acquired, or a blanket indemnity bond in the sum of one hundred thousand dollars ($100,000) for any number of wells acquired. The bond shall be stated in substantially the language set forth in Section 3725.

SEC. 11. Section 3725.5 is added to the Public Resources Code, to read:

3725.5. Any person who engages in the drilling, redrilling, deepening, maintaining, or abandoning of any low temperature well,

as defined in Section 3703.1, may file with the supervisor an individual indemnity bond in the sum of ten thousand dollars ($10,000) for each well less than 5,000 feet deep, or fifteen thousand dollars ($15,000) for each well at least 5,000 but less than 10,000 feet deep, for each well drilled, redrilled, deepened, maintained, or abandoned, in lieu of the bond required by Section 3725. The bond shall be executed by such person, as principal, and by an authorized surety company, as surety, and shall be in substantially the same language and upon the same conditions as provided in Section 3725, except as to the difference in the amount.

SEC. 12. Section 3726 of the Public Resources Code is amended to read:

3726. Any person who engages in the drilling, redrilling, deepening, maintaining, or abandoning of one or more wells at any time, may file with the supervisor one bond for one hundred thousand dollars ($100,000) to cover all his operations in drilling, redrilling, deepening, maintaining, or abandoning of any of his wells in this state in lieu of an individual indemnity bond for each such operation as required by Section 3725 or 3725.5. The bond shall be executed by such person, as principal, and by an authorized surety company, as surety, and shall be in substantially the same language and upon the same conditions as provided in Section 3725, except as to the difference in the amount.

SEC. 13. Section 3728.5 of the Public Resources Code is amended to read:

3728.5. In lieu of the bond required by Sections 3723.5, 3725, and 3726, a person may, with the written approval of the supervisor, file a cash bond in the applicable amount, together with evidence of the deposit of such amount in banks authorized to do business in this state and insured by the Federal Deposit Insurance Corporation, or investment certificates or share accounts in the applicable amount issued by a savings and loan association doing business in this state and insured by the Federal Savings and Loan Insurance Corporation, or bonds issued by the United States or the State of California in the principal amounts of twelve thousand dollars ($12,000), eighteen thousand dollars ($18,000), thirty thousand dollars ($30,000) or one hundred twenty thousand dollars ($120,000) whichever is applicable, with the State Treasurer. Such bond, or security filed in lieu thereof, shall be subject to all conditions set forth in Sections 3723.5, 3725, 3725.5, and 3726.

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

In order to protect the public from the danger of abandoned oil, gas and geothermal wells at the earliest possible time, and to ensure the effective operation of the oil, gas, and geothermal industry, it is necessary that this act go into immediate effect.

CHAPTER 113

An act making an appropriation in augmentation of Item 104 of the Budget Act of 1976, relating to emergencies, to take effect immediately, usual current expenses.

[Approved by Governor June 28, 1977 Filed with Secretary of State June 28, 1977]

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

SECTION 1. The sum of eleven million five hundred fifty thousand dollars ($11,550,000) is hereby appropriated from the General Fund to the Emergency Fund in augmentation of, and upon the same terms and conditions as the appropriation made by, Item 104 of the Budget Act of 1976; provided, however, that one million five hundred fifty thousand dollars ($1,550,000) of the sum appropriated by this act, or so much thereof as may be necessary, shall be allocated to the Legislative Counsel Bureau for expenditure for all costs incurred in connection with restoring full services to the Legislature and for the payment of fire losses, and is exempt from the terms and conditions of the appropriation made by Item 104 of the Budget Act of 1976.

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

CHAPTER 114

An act making an appropriation in augmentation of Item 96, Budget Act of 1976, relating to state officers and employees, to take effect immediately, usual current expenses.

[Approved by Governor June 28, 1977 Filed with Secretary of State June 28, 1977]

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

SECTION 1. The sum of six million one hundred thousand dollars ($6,100,000) is hereby appropriated to the Department of Finance from each special fund from which state officers and employees whose compensation, including staff benefits, or portion thereof, is payable from such special funds, in augmentation of Item 96 of the Budget Act of 1976, for allocation by the Department of Finance for salary increases for such officers and employees.

In enacting this act, it is the intent and understanding of the Legislature that six million one hundred thousand dollars ($6,100,000) of the funds appropriated by Item 98 of the Budget Act of 1976 shall not be allocated.

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

CHAPTER 115

An act making an appropriation in augmentation of Item 288 of the Budget Act of 1976, relating to Medi-Cal, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1977 Filed with Secretary of State June 29, 1977]

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

SECTION 1. The sum of five million six hundred thirty-one thousand eight hundred seventy-eight dollars ($5,631,878) is hereby appropriated from the General Fund to the Director of Finance for allocation to the State Department of Health, in augmentation of Item 288 of the Budget Act of 1976, in order to avoid an anticipated deficiency in Medi-Cal funds due to the claim of the County of San Diego for overpayment of its share of Medi-Cal costs from 1969 to 1975, inclusive.

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

In order to avoid an anticipated deficiency in Medi-Cal Program funds which may disrupt the continued provision of health care benefits to program beneficiaries, it is necessary that this act take effect immediately.

CHAPTER 116

An act to add Section 4730.3 to the Health and Safety Code, relating to Sacramento County sanitation districts.

[Approved by Governor June 28, 1977 Filed with Secretary of State June 29, 1977.

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

SECTION 1. Section 4730.3 is added to the Health and Safety Code, to read:

4730.3. Notwithstanding the provisions of Sections 4730, 4730.1, and 4730.2, or any other provision of law, the governing board of a sanitation district in the County of Sacramento shall be constituted

in accordance with this section.

The governing body of a sanitation district in the County of Sacramento shall be a board of directors composed of an odd number of not less than five members. If the district includes no territory which is within a city, the county board of supervisors shall be the board of directors of the sanitation district.

If the sanitation district includes territory which is within a city, the board of directors of the sanitation district shall be composed of the county board of supervisors and the presiding officer of the governing body of each such city. If the board of supervisors and the presiding officers of the governing body of such cities constitute an even number, the chairman of the board of supervisors shall have an additional vote on the board of directors of the sanitation district.

The governing body of each such city, which has a representative on the board of directors of the sanitation district, may designate one of its members to act in the place of its presiding officer in the absence, inability to act, or refusal to act of its presiding officer. The governing body of any such city may designate a member of the county board of supervisors to serve as its representative member on the board of directors of the sanitation district in the place of the presiding officer of its governing body, in which case, such supervisor shall have one vote for each such city represented by such supervisor.

SEC. 2. The board of directors of each of the county sanitation districts within the County of Sacramento shall be reconstituted pursuant to Section 4730.3 of the Health and Safety Code at the first regular meeting of the county sanitation district immediately following the effective date of this act.

SEC. 3. The County of Sacramento faces unique problems in connection with the furnishing of sewer services in the conversion from insufficient local treatment to centralized regional treatment. The county has made investigations and studies and has commenced the program of construction of regional treatment to be responsive to the rapidly changing conditions and needs caused by population growth. It is necessary to eliminate wasteful duplication and confusion resulting from the overlapping or multiplicity of local sanitation districts and maintenance districts while preserving the concept of equal representation of the local districts, and to promote planned, responsible, and efficient consolidation of service, and administration. Because of the special situation in the County of Sacramento, it is necessary that this special act be adopted.

SEC. 4. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because this act is in accordance with the request of a local government entity which desired legislative authority to act to carry out the program specified in this act.

CHAPTER 117

An act to add Section 49110.1 to the Education Code, relating to the employment of minors.

[Approved by Governor June 28, 1977 Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 49110.1 is added to the Education Code, to read:

49110.1. The superintendent of any school district may designate the principal or other person having charge of a private school within the district, in which pupils are enrolled pursuant to Section 48222, as a person authorized to issue work permits to pupils of the school, in accordance with this chapter. Where the pupil resides in a portion of the county not under the jurisdiction of the superintendent of any school district, the county superintendent of schools may designate the principal or other person having charge of a private school as the person authorized to issue such work permits. The superintendent of the school district, or the county superintendent of schools as the case may be, shall periodically ascertain that the designated person has complied with the requirements of this chapter pertaining to issuing authorities.

CHAPTER 118

An act to amend Sections 7301, 7302, 7303, and 7304 of the Food and Agricultural Code, relating to pest control.

[Approved by Governor June 28, 1977 Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 7301 of the Food and Agricultural Code is amended to read:

7301. Camelthorn is a public nuisance. It may be abated by summary action or otherwise pursuant to the law which relates to the abatement of public nuisance.

SEC. 2. Section 7302 of the Food and Agricultural Code is amended to read:

7302. The director shall eradicate camelthorn wherever it exists in this state.

SEC. 3. Section 7303 of the Food and Agricultural Code is amended to read:

7303. The expense incurred by the director in eradicating camelthorn shall be borne as follows:

(a) One-third by the state, to be paid out of any sum appropriated for such purpose.

(b) One-third by the county in which the land is located on which such camelthorn exists.

(c) One-third by the owner of the land.

SEC. 4. Section 7304 of the Food and Agricultural Code is amended to read:

7304. The board of supervisors may direct the commissioner to proceed with the abatement of the camelthorn pursuant to Chapter 6 (commencing with Section 5401), Part 1 of this division. If the commissioner does so, the board of supervisors shall allow and pay the share of the county and the share of the owner of the land out of the general fund of the county.

CHAPTER 119

An act to amend Section 61765 of, and to add Sections 61765.1, 61765.2, 61765.3, 61765.4, 61765.5, and 61765.6 to, the Government Code, relating to community services districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1977 Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 61765 of the Government Code is amended to read:

61765. A district may fix, on or before the first day of July in each calendar year, a water standby or availability charge not to exceed ten dollars ($10) per year for each acre of land, or ten dollars ($10) per year for each parcel of land of less than an acre within the district to which water is made available for any purpose by the district, whether the water is actually used or not. The board of directors of a district which fixes such a charge may establish schedules varying the charges depending upon factors such as the uses to which the land is put, the cost of transporting the water to the land, and the amount of water used by the land. The board may restrict charges to lands lying within one or more improvement districts within the community service district.

SEC. 2. Section 61765.1 is added to the Government Code, to read:

61765.1. A district may elect to have such assessments for the fiscal year collected on the tax roll in the same manner, by the same persons and at the same time as, together with and not separately from, its general taxes. In such event, it shall cause a written report to be prepared and filed with the secretary which report shall contain a description of each parcel of real property and the amount of the assessment for each parcel for the year.

SEC. 3. Section 61765.2 is added to the Government Code, to read:

61765.2. The secretary shall cause notice of the filing of the report and of a time and place of hearing thereon to be published, pursuant to Section 6066 of the Government Code, prior to the date set for hearing, in a newspaper of general circulation printed and published within the district, if there is one and if not then in such paper printed and published in the county, and shall cause a notice in writing of the filing of the report to be mailed to each person to whom any parcel or parcels of real property described in such report is assessed in the last equalized assessment roll available on the date the report is prepared, at the address shown on the assessment roll or as known to the secretary.

SEC. 4. Section 61765.3 is added to the Government Code, to read:

61765.3. At the time stated in the notice, the board shall hear and consider all objections or protests, if any, to the report referred to in the notice and may continue the hearing from time to time. Upon the conclusion of the hearing, the board may adopt, revise, change, reduce or modify an assessment or overrule any or all objections. The board shall make its determination upon each assessment as described in the report which determination shall be final. The board may make appropriate adjustments that may be necessary as a result of the equalization of the assessment roll subsequent to the filing of the report.

SEC. 5. Section 61765.4 is added to the Government Code, to read:

61765.4. On or before the 10th day of August of each year following such final determination, the secretary shall file with the county auditor a copy of the report with a statement endorsed thereon over his signature that it has been finally adopted by the board and the auditor shall enter the amounts of the assessment against the respective lots or parcels of land as they appear on the current assessment roll.

SEC. 6. Section 61765.5 is added to the Government Code, to read:

61765.5. The amount of the assessments shall constitute a lien against the lot or parcel of land against which the assessment has been imposed as of noon on the first Monday in March immediately preceding the date of levy.

SEC. 7. Section 61765.6 is added to the Government Code, to read:

61765.6. The county tax collector shall include the amount of the assessments on bills for taxes levied against the respective lots and parcels of land. Thereafter the amount of the assessments shall be collected at the same time and in the same manner and by the same persons as, together with and not separately from, the general taxes for the district, and shall be delinquent at the same time and thereafter be subject to the same delinquency penalties. All laws applicable to the levy, collection and enforcement of general taxes of the district, including, but not limited to, those pertaining to the matters of delinquency, correction, cancellation, refund and redemption, are applicable to such assessments.

SEC. 8. It is the intent of the Legislature that water standby and

availability charges that are authorized to be charged in community services districts be made comparable to those authorized to be charged in other districts, including county water districts, in order to promote consolidation and reducing the number of special services districts, and be made generally applicable to all districts, including those reorganized.

SEC. 9. This act is an urgency measure necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Recently several county water districts have been reorganized into, or annexed to existing, community services districts for purposes of consolidating entities and reducing the number of local agencies. In order to avoid the loss of significant parts of their income from water availability charges because of the significantly lower parcel rate applicable to community services districts and to allow existing programs to continue without the necessity of tax increase, it is necessary that the provisions of this act go into effect immediately.

CHAPTER 120

An act to amend Section 5002.3 of the Public Resources Code, relating to the state park system, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1977 Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 5002.3 of the Public Resources Code is amended to read:

5002.3. A public hearing shall be scheduled by the State Park and Recreation Commission to consider each matter of classification or reclassification of a unit and of approval of the department's resource management plan and general development plan for a unit. Notice of hearing shall be posted in plain sight at one or more places within the affected unit, published in one or more newspapers of general circulation in each county within which the affected unit is located, and mailed to every person who has filed a request for notice of hearing with the State Park and Recreation Commission. If the notice of hearing is published in a weekly newspaper, it shall appear therein on at least two different days of publication and if in a newspaper published oftener, there shall be at least five days from the first to the last day of publication, both days included. The content of the notice of hearing shall substantially comply with the requirements of Section 11424 of the Government Code.

Copies of the department's inventory, in the case of a hearing on classification or reclassification, or copies of the department's resource management plan and general development plan, in the case of a hearing on approval of the plans, shall be made available to the public at each of the department's district offices on the last date of publication of the notice.

The hearing shall be held by the State Park and Recreation Commission in, or within a radius of 100 miles of, the City of San Diego, Los Angeles, San Francisco, San Bernardino, Eureka, Redding, Fresno, or Sacramento, whichever is closest to the unit affected, not less than 30 days, nor more than 60 days, after the last date of publication of the notice. However, the Cities of Eureka and Redding, and the area within a radius of 100 miles of each of these cities, shall be considered as a single location for hearings of the commission, and not more than one hearing in any year may be held at that location. The hearing shall be conducted in the manner specified in Section 11425 of the Government Code. The vote of each individual member of the State Park and Recreation Commission on each matter of classification or reclassification and of approval of the department's resource management plan and general development plan shall be recorded when the final decision of the State Park and Recreation Commission is announced.

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

Inasmuch as the State Park and Recreation Commission will conduct numerous hearings in 1977 that, due to limitations of existing law, cannot be held in the vicinity of the units of the state park system that will be affected by the hearings, it is necessary that this act, permitting the commission to meet at additional locations, take effect immediately.

CHAPTER 121

An act to repeal Sections 27713 and 27713.5 of the Government Code, relating to counties.

[Approved by Governor June 28, 1977 Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 27713 of the Government Code is repealed.

SEC. 2. Section 27713.5 of the Government Code is repealed.

CHAPTER 122

An act to add Section 11501 to, and to repeal Section 11501 of, the Government Code, relating to administrative procedure.

[Approved by Governor June 28, 1977 Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 11501 of the Government Code is repealed.

SEC. 2. Section 11501 is added to the Government Code, to read:

11501. (a) This chapter applies to any agency as determined by the statutes relating to that agency.

(b) The enumerated agencies referred to in Section 11500 are:

Accountancy, State Board of
Air Resources Board, State
Alcoholic Beverage Control, Department of
Architectural Examiners, California State Board of
Attorney General
Automotive Repair, Bureau of
Barber Examiners, State Board of
Behavioral Science Examiners, Board of
Benefit Payments, Department of
Cancer Advisory Council
Cemetery Board
Chiropractic Examiners, Board of
Collection and Investigative Services, Bureau of
Community Colleges, Board of Governors of the California
Conservation, Department of
Consumer Affairs, Director of
Contractors, Registrar of
Corporations, Commissioner of
Cosmetology, State Board of
Dental Examiners of California, Board of
Education, State Board of
Employment Agencies, Bureau of
Engineers, State Board of Registration for Professional
Fabric Care, State Board of
Fair Employment Practice Commission, State
Fair Political Practices Commission
Fire Marshal, State
Fire Services, State Board of
Fish and Game Commission
Food and Agriculture, Director of
Forestry, Department of
Funeral Directors and Embalmers, State Board of
Geologists and Geophysicists, State Board of Registration for
Guide Dogs for the Blind, State Board of

Health, State Department of
Home Furnishings, Bureau of
Horse Racing Board, California
Insurance Commissioner
Labor Commissioner
Landscape Architects, State Board of
Medical Quality Assurance, Board of, Medical Quality Review Committees and Examining Committees
Motor Vehicles, Department of
Navigation and Ocean Development, Department of
Nursing, Board of Registered
Nursing Home Administrators, Board of Examiners of
Optometry, State Board of
Osteopathic Examiners of the State of California, Board of
Pharmacy, California State Board of
Public Employees' Retirement System, Board of Administration of the
Real Estate, Department of
Repair Services, Bureau of
Resources Agency, Secretary of the
San Francisco, San Pablo and Suisun, Board of Pilot Commissioners for the Bays of
Savings and Loan Commissioner
School Districts
Shorthand Reporters Board, Certified
Structural Pest Control Board
Tax Preparer Program, Administrator
Teacher Preparation and Licensing, Commission for
Teachers' Retirement System, State
Transportation, Department of, acting pursuant to the State Aeronautics Act
Veterinary Medicine, Board of Examiners in
Vocational Nurse and Psychiatric Technician Examiners of the State of California, Board of
Water Resources, Department of

CHAPTER 123

An act to amend Section 3899 of the Food and Agricultural Code, relating to agricultural districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1977 Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 3899 of the Food and Agricultural Code is amended to read:

3899. District 48 is all that portion of Los Angeles County which is described as follows:

Beginning at the southerly extension of State Highway No. 1 at the Orange County line; thence north along the west line of State Highway No. 1 to the south line of Anaheim Street; thence west along the south line of Anaheim Street to the west line of Alameda Street; thence north along the west line of Alameda Street to the west line of Main Street; thence north along the west line of Main Street to the north line of Valley Boulevard; thence east along the north line of Valley Boulevard to the north line of State Highway 10; thence east on the north line of State Highway 10 to the San Bernardino County line; thence south along the San Bernardino County line to the Orange County line; thence south along the Orange County line to the point of beginning.

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

In order that the added area can be better served by including it in the 48th District Agricultural Association, as soon as possible, it is necessary that the provisions of this act become effective immediately.

CHAPTER 124

An act to amend Section 21115 of the Vehicle Code, relating to vehicles.

[Approved by Governor June 28, 1977 Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 21115 of the Vehicle Code is amended to read:

21115. If a local authority finds that a highway under its jurisdiction is located adjacent to a golf course and between the golf course and the place where golf carts are parked or stored or is within or bounded by a real estate development offering golf facilities and is designed and constructed, so as to safely permit the use thereof of regular vehicular traffic and also the driving of golf carts thereon, the local authority may by resolution or ordinance designate such highway or portion thereof for such combined use and prescribe rules and regulations therefor which shall have the force of law. No such highway shall be so designated for a distance of more than one mile from the golf course if such highway is not located within such a development or beyond the area of such development, provided,

the finding of the local authority in this respect shall be conclusive. Upon such designation becoming effective it shall be lawful to drive golf carts upon such highway in accordance with the rules and regulations prescribed as aforesaid. Such rules and regulations may establish speed limits and other operating standards but shall not require that the golf carts conform to any requirements of this code with respect to registration, licensing, or equipment, except that if operated during darkness the golf cart shall be subject to the provisions of Section 24001.5 regarding equipment.

The rules and regulations shall not be effective until appropriate signs giving notice thereof are posted along the highway affected.

A "real estate development offering golf facilities," for purposes of this section, means an area of single-family or multiple-family residences, with a security gate, the owners or occupants of which are eligible for membership in, or the use of, one or more golf courses within such development by virtue of their ownership or occupancy of a residential dwelling unit in such development.

CHAPTER 125

An act to amend Section 25668.1 of the Health and Safety Code, relating to radiologic technology, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1977 Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 25668.1 of the Health and Safety Code is amended to read:

25668.1. Until July 1, 1978, the department may, upon application, on a form prescribed and supplied by the department, by a licentiate of the healing arts, approve the licentiate to give on-the-job training, based on instructional standards prescribed by the department, to a student of radiologic technology if the following requirements are complied with:

(a) The training is restricted to applicants for limited permits in one category or an approved combination of categories.

(b) The training is given by a certified supervisor or operator.

(c) The didactic instruction and clinical experience are equivalent to that required of approved schools for radiologic technology limited permits and shall be outlined by the department in a manual or syllabus.

(d) On-the-job training may not exceed one year for any one student.

(e) There shall not be at any one time more than one student per licentiate.

(f) Records, subject to department inspection, shall be kept of hours of didactic training given the student and the number and kind of clinical procedures performed by the student. If the licentiate does not choose to give both clinical and didactic on-the-job training, as prescribed by the department, that portion not given by the licentiate shall be taken in a school approved by the department pursuant to Section 25668.

The department may establish and collect fees in an amount sufficient to defray the cost incurred by the department in administering the program of on-the-job training authorized by this section.

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

In order that the program of on-the-job training of radiologic technology students may be continued, it is necessary that this act go into effect immediately.

CHAPTER 126

An act to repeal Section 24253 of the Health and Safety Code, relating to health, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1977 Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 24253 of the Health and Safety Code is repealed.

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

In order that this act may go into effect prior to inspections for which fees would be charged beginning July 1, 1977, it is essential that the act take effect immediately.

CHAPTER 127

An act to add Section 8961.11 to the Health and Safety Code, relating to cemetery districts.

[Approved by Governor June 28, 1977 Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 8961.11 is added to the Health and Safety Code, to read:

8961.11. Notwithstanding any other provision of this part, land acquired by a district for future cemetery use may, until required for cemetery purposes, be leased to another public entity for recreational use. However, nothing in this section shall authorize a district to acquire or retain ownership of land not reasonably necessary for the district's future requirements, and, prior to executing any lease pursuant to this section, the district shall file a declaration of intention to use the land for cemetery purposes with the county recorder.

CHAPTER 128

An act to amend Sections 11503, 12813, 13451, 13452, 13453, 13454, 13456, 13481, 13511, 13591, 13593, and 13621 of, and to amend the title of Chapter 8 (commencing with Section 13451) of Division 6 of, and to add Section 11508 to, the Public Utilities Code, relating to municipal utility districts.

[Approved by Governor June 28, 1977 Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 11503 of the Public Utilities Code is amended to read:

11503. "District" means a municipal utility district formed under this division or under Chapter 218 of the Statutes of 1921, as originally enacted or subsequently amended; "special district" means a special district for sewage disposal or solid waste resource recovery purposes created under this division or under Chapter 218 of the Statutes of 1921, as originally enacted or subsequently amended; and "board" means the board of directors of a district.

SEC. 2. Section 11508 is added to the Public Utilities Code, to read:

11508. "Solid Waste Resource Recovery" means the acquisition, construction, enlargement, operation, and maintenance of facilities for the purpose of collecting, reducing, separating, recovering, converting, and recycling solid waste, and for the purpose of disposing of solid waste residues.

SEC. 3. Section 12813 of the Public Utilities Code is amended to read:

12813. Notwithstanding any of the provisions of this article, the board may, in its discretion, finance any sewage disposal or solid waste resource recovery enterprise, the interest on and retirement of any bonded indebtedness therefor, and provide for the

maintenance and operation thereof entirely by the levy and collection of taxes upon the property within the special district for which the enterprise is constructed or operated, or by rates and charges imposed upon the users of the facilities of the enterprise, or by both taxes, rates, and charges, apportionment of expenses among public agencies served, or any combination of the foregoing.

SEC. 4. The title of Chapter 8 (commencing with Section 13451) of Division 6 of the Public Utilities Code is amended to read:

CHAPTER 8. SPECIAL DISTRICT FOR SEWAGE DISPOSAL OR SOLID WASTE RESOURCE RECOVERY

SEC. 5. Section 13451 of the Public Utilities Code is amended to read:

13451. One or more special districts for sewage disposal or solid waste resource recovery purposes may be created within the boundaries of a district as provided in this chapter.

SEC. 6. Section 13452 of the Public Utilities Code is amended to read:

13452. Resolutions shall first be passed by the legislative bodies of half or more, but of not less than two, of the public agencies, all or any part of the area of which it is intended to include in the proposed special district, declaring that the public interest or necessity demands the creation of a special district for sewage disposal or solid waste resource recovery purposes and describing its boundaries. The boundaries of the proposed special district may include territory outside any such public agency if the territory is within the area of the municipal utility district. When the entire area of any public agency is to be included in the special district it may be described in the resolutions by name. Certified copies of the resolutions shall be filed with the secretary of the district.

SEC. 7. Section 13453 of the Public Utilities Code is amended to read:

13453. Instead of procedure by resolutions, a petition may be filed with the secretary of a district signed by voters within the proposed special district equal in number to at least 10 percent of the total vote cast. The boundaries of the proposed special district shall be described in the petition and shall include at least two public agencies or portions thereof. A statement of the name of any public agency constitutes a sufficient and legal description of the territory thereof if the entire area of the agency is included.

SEC. 8. Section 13454 of the Public Utilities Code is amended to read:

13454. The petition shall declare that the public interest or necessity demands the creation of a special district for sewage disposal or solid waste resource recovery purposes within the area of the district described in the petition. The petition may be on separate papers, but each paper shall contain the affidavit of the party who circulated it, certifying that each name signed thereto is

the true signature of the person whose name it purports to be.

SEC. 8. Section 13456 of the Public Utilities Code is amended to read:

13456. The board may initiate proceedings for the creation of a special district for sewage disposal or solid waste resource recovery purposes within the area of the district by passing a resolution declaring that the public interest or necessity demands the creation of a special district for sewage disposal or solid waste resource recovery purposes, and describing its boundaries, which shall include all or any part of two or more public agencies. A public agency to be included may be described by name. No certified copy of the resolution need be filed with the secretary of the district.

SEC. 10. Section 13481 of the Public Utilities Code is amended to read:

13481. Within 60 days after receipt of the resolutions of the public agencies or receipt of the certification of the sufficiency of a petition by the secretary of the district, or the passage of the resolution of the board, the board shall, by resolution, designate the special district as "_____ (here insert name) Municipal Utility District, Special District No. _____ (here insert number)" (all such special districts shall be numbered consecutively) and shall fix a time and place for a hearing on the proposed creation of the special district for sewage disposal or solid waste resource recovery purposes and shall publish notice thereof.

SEC. 11. Section 13511 of the Public Utilities Code is amended to read:

13511. At any time after the board has approved the creation of the proposed special district, and fixed its boundaries, the board shall call and publish notice of an election within the proposed special district for the purpose of determining whether the proposed special district will be created and, if the board so determines, for the submission of a proposition for incurring a bonded indebtedness for the acquisition, construction, or completion by the district of any works, lands, structures, rights, or any other property necessary or convenient for the recovery of resources from solid waste or for the collection, treatment, or disposition of sewage matter for the special district. If the board determines that no bonded indebtedness is presently necessary, the board may call the election for the creation and establishment of the special district only, and a bond election may later be called.

SEC. 12. Section 13591 of the Public Utilities Code is amended to read:

13591. The board may use temporarily any district funds for the payment of any costs or expenses incident to the proposed or actual creation of a special district for sewage disposal or solid waste resource recovery purposes or the acquisition, construction, or completion of any works, lands, structures, rights, or other property necessary or convenient for the recovery of resources from solid waste or for the collection, treatment, or disposition of sewage

matter for the special district or incident to the operation or maintenance of the special district.

SEC. 13. Section 13593 of the Public Utilities Code is amended to read:

13593. Nothing in this article limits the general powers of a district with reference to sewage disposal or solid waste resource recovery.

SEC. 14. Section 13621 of the Public Utilities Code is amended to read:

13621. At any time after the creation of a special district a proposition of incurring bonded indebtedness for the acquisition, construction, or completion by the district of any works, lands, structures, rights, or any other property necessary or convenient for the recovery of resources from solid waste or for the collection, treatment, or disposition of sewage matter for the special district may be submitted.

CHAPTER 129

An act to amend Section 72190 of the Government Code, relating to courts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1977. Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 72190 of the Government Code is amended to read:

72190. Within the jurisdiction of the court and under the direction of the judges, commissioners of municipal courts shall exercise all the powers and perform all of the duties authorized by law to be performed by commissioners of superior courts and such additional powers and duties as may be prescribed by law. At the direction of the judges, commissioners may have the same jurisdiction and exercise the same powers and duties as the judges of the court with respect to any infraction. The commissioners of municipal courts shall possess the same qualifications the law requires of a judge and shall hold office during the pleasure of the court appointing them and shall not engage in the private practice of law. They shall be ex officio deputy clerks.

Notwithstanding any other provision of law, a commissioner of a municipal court of any judicial district in Los Angeles County or San Diego County who has been duly appointed and has thereafter been retired for service, may be assigned by the presiding judge of a municipal court to serve as a court commissioner of such court for such periods of time as he is needed for the prompt and efficient discharge of the business of that court. While so serving, he shall be

paid the full compensation of a court commissioner, payable as follows: He shall continue to receive his retirement allowance, and in addition the county shall pay him the amount equal to the difference between such retirement allowance and such full compensation. Such employment shall not operate to reinstate him as a member of the county retirement system or to terminate or suspend his retirement rights or allowance, and no deductions shall be made from his compensation as contributions to the retirement system.

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

SEC. 3. The Legislature hereby finds and declares that the municipal courts in San Diego County are periodically understaffed and in need of assistance to adequately handle the caseload. This act, allowing San Diego County to hire retired court commissioners on an as-needed basis, will facilitate the smooth and efficient operation of the court system and the proper administration of justice. Accordingly, this legislation affecting San Diego County is necessary to permit the Legislature to carry out its constitutionally delegated responsibility of prescribing the number, qualifications, and compensation of municipal court officers.

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

In order to adequately handle the existing backlog of cases in the San Diego County municipal courts, it is necessary that this act take effect immediately.

CHAPTER 130

An act to add Section 22230 to the Education Code, relating to the State Teachers' Retirement System.

[Approved by Governor June 28, 1977 Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 22230 is added to the Education Code, to read:

22230. Upon the receipt of a request from any retirant, disabilitant or beneficiary, the board may transmit payments to a bank, savings and loan association, or credit union for deposit in the retirant's or beneficiary's account. The transmittal of such payment shall fully discharge the board and the system from any claim resulting from actions taken under this section.

CHAPTER 131

An act relating to property taxation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1977 Filed with Secretary of State June 29, 1977]

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

SECTION 1. Notwithstanding the provisions of Section 13952 of the Health and Safety Code or of Section 54902, 54902.1, or 54903 of the Government Code, any annexation of territory to a city which was completed on January 20, 1977, and the detachment of such territory from a fire protection district which was completed on March 3, 1977, shall be effective for assessment and taxation purposes for the 1977–1978 fiscal year if the statements and maps required by Sections 54900 and 54901 of the Government Code were filed with the State Board of Equalization on or before March 31, 1977.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because this act is in accordance with the request of a local government entity or entities which desired legislative authority to act to carry out the program specified in this act.

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

In order that assessment and taxation of property in cities may be accomplished in fiscal year 1977–78 in accordance with city boundary changes which have taken place, it is necessary that this act take effect immediately.

CHAPTER 132

An act to amend Section 39011 of the Health and Safety Code, relating to agricultural burning.

[Approved by Governor June 28, 1977 Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 39011 of the Health and Safety Code, as amended by Chapter 1216 of the Statutes of 1976, is amended to read:

39011. (a) "Agricultural burning" means open outdoor fires used in agricultural operations in the growing of crops or raising of fowl

or animals, or open outdoor fires used in forest management, range improvement, or the improvement of land for wildlife and game habitat, or disease or pest prevention.

(b) "Agricultural burning" also means open outdoor fires used in the operation or maintenance of a system for the delivery of water for the purposes specified in subdivision (a).

"Agricultural burning" also includes open outdoor fires used in burning solid waste which is produced from the ginning of cotton.

This section shall remain in effect only until January 1, 1979, and as of that date is repealed.

SEC. 2. Section 39011 of the Health and Safety Code, as added by Chapter 1216 of the Statutes of 1976, is amended to read:

39011. (a) "Agricultural burning" means open outdoor fires used in agricultural operations in the growing of crops or raising of fowl or animals, or open outdoor fires used in forest management, range improvement, or the improvement of land for wildlife and game habitat, or disease or pest prevention.

(b) "Agricultural burning" also means open outdoor fires used in the operation or maintenance of a system for the delivery of water for the purposes specified in subdivision (a).

This section shall become operative on January 1, 1979.

CHAPTER 133

An act to amend Section 24273 of the Water Code, relating to irrigation districts.

[Approved by Governor June 28, 1977. Filed with Secretary of State June 29, 1977.]

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

SECTION 1. Section 24273 of the Water Code is amended to read:

24273. The treasurer shall not later than the third Monday in each month file in the district office with the secretary a verified written report to the board showing all of the following:

(a) The amount of money in the district treasury at the close of the month next preceding.

(b) The amount of receipts for the month next preceding.

(c) The amount and items of expenditures for the month next preceding.

CHAPTER 134

An act to amend Sections 20019 and 20022 of, to add Section 20019.4 to, and to repeal Sections 20022.1, 20022.2, as added by Chapter 341 of the Statutes of 1976, and Section 20022.2, as added by Chapter 1115 of the Statutes of 1976 of, the Government Code, relating to the Public Employees' Retirement System.

[Approved by Governor June 28, 1977. Filed with Secretary of State June 29, 1977.]

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

SECTION 1. Section 20019 of the Government Code is amended to read:

20019. "Local safety member" includes all local policemen, firemen, safety officers, and county peace officers employed by a contracting agency who have by contract been included within this system.

SEC. 2. Section 20019.4 is added to the Government Code, to read:

20019.4. "Local safety officer" means any officer or employee of a public safety department of a contracting agency, except one whose principal duties are those of a telephone operator, clerk, stenographer, machinist, mechanic, or otherwise and whose functions do not clearly fall within the scope of active law enforcement or firefighting and prevention service even though such an employee is subject to occasional call, or is occasionally called upon, to perform duties within the scope of active law enforcement or firefighting and prevention service, but not excepting persons employed and qualifying as patrolmen or equal or higher rank, or as firemen, hosemen, or equal or higher rank, irrespective of the duties to which they are assigned.

"Local safety officer" does not include persons employed to perform identification or communication duties. This paragraph shall not apply to persons employed and qualified as patrolmen or equal or higher rank, or as firemen, hosemen, or equal or higher rank.

SEC. 3. Section 20022 of the Government Code is amended to read:

20022. (a) "Compensation" includes: (1) the remuneration paid in cash out of funds controlled by the employer, plus the monetary value, as determined by the board, of living quarters, board, lodging, fuel, laundry and other advantages of any nature furnished a member by his employer in payment for his services or for time during which the member is excused from work because of holidays, sick leave, vacation, compensating time off, or leave of absence; (2) any payments in cash by his employer to one other than an employee for the purpose of purchasing an annuity contract for a member under an annuity plan which meets the requirements of Section 403(b) of the Internal Revenue Code of the United States; (3) any

amount deducted from a member's wages for participation in a deferred compensation plan established pursuant to Chapter 8 (commencing with Section 18310) of Part 1 of Division 5 of Title 2 or pursuant to Article 1 1 (commencing with Section 53212) of Chapter 2 of Part 1 of Division 2 of Title 5.

(b) "Compensation" shall not include: (1) the provision by an employer of any medical or hospital service or care plan or insurance plan (other than the purchase of annuity contracts referred to in this section) for its employees, any contribution by an employer to meet the premium or charge for such plan, or any payment into a private fund to provide health and welfare benefits for its employees; (2) any payment by an employer of the employee portion of taxes imposed by the Federal Insurance Contribution Act; (3) amounts not available for payment of salaries and which are applied by an employer for the purchase of annuity contracts including those which meet the requirements of Section 403(b) of the Internal Revenue Code of the United States; (4) the bonus sum provided for low-paid state employees in the Budget Act of 1975; (5) any benefits paid pursuant to Chapter 3.6 (commencing with Section 18135) of Part 1 of this division; and (6) employers' payments which are to be credited as employee contributions for benefits provided by this system, or employers' payments which are to be credited to employee accounts in deferred compensation plans; provided, that amounts deducted from a member's wages for participation in a deferred compensation plan pursuant to paragraph (3) of subdivision (a) shall not be considered to be employer's payments.

SEC. 4. Section 20022.1 of the Government Code is repealed.

SEC. 5 Section 20022.2 of the Government Code, as added by Chapter 341 of the Statutes of 1976, is repealed.

SEC. 6. Section 20022.2 of the Government Code, as added by Chapter 1115 of the Statutes of 1976, is repealed

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CHAPTER 135

An act to add Section 1281 5 to the Code of Civil Procedure, relating to arbitration.

[Approved by Governor June 28, 1977 Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 1281.5 is added to the Code of Civil Procedure, to read.

1281.5. Any person, who proceeds to record and enforce a claim of lien by commencement of an action pursuant to the provisions of Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code, shall not thereby waive any right of arbitration which

such person may have pursuant to a written agreement to arbitrate, if, in filing an action to enforce such claim of lien, the claimant at the same time presents to the court an application that such action be stayed pending the arbitration of any issue, question, or dispute which is claimed to be arbitrable under such agreement and which is relevant to the action to enforce the claim of lien. The applicant may join with the application for the stay, pending arbitration, a claim of lien otherwise within the jurisdiction of the municipal court.

CHAPTER 136

An act to amend Section 99207 of, and to add Section 99232.5 to, the Public Utilities Code, relating to transportation.

[Approved by Governor June 28, 1977. Filed with Secretary of State June 29, 1977.]

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

SECTION 1. Section 99207 of the Public Utilities Code is amended to read:

99207. (a) "Included municipal operator" means a city or county which is included, in whole or in part, within a transit district or which has been extended the authority to join a transit district by that district's enabling legislation, and in which city or county public transportation services have continuously been provided, since at least January 1, 1971, by the city or county, by a nonprofit corporation or other legal entity wholly owned by the city or county, or by the University of California.

(b) "Included municipal operator" also means the City and County of San Francisco and the Counties of Alameda and Contra Costa with respect to any portion of the unincorporated area thereof, and any city in those counties, which is outside the area of the Alameda-Contra Costa Transit District and which is not receiving adequate local public transportation services, as determined by the Metropolitan Transportation Commission, from any of the transit districts which includes the county or city, taking into consideration, among other things, the amount of such services needed in the county or city, the cost to provide such services, and the amount of such services provided in other areas of the transit district as compared to their needs.

(c) "Included municipal operator" also means any city within the County of Sacramento which (1) is outside the activated boundaries of the Sacramento Regional Transit District, (2) contracts with the district for transit services, and (3) provides local transit services within the city that the Sacramento Regional Area Planning Commission annually determines can be better provided by the city than the district, taking into consideration, among other things, the

amount and the nature of the services required in the city, the ability of the district to provide the services, the coordination of the services with district services, the remoteness of the city in relation to other district services, the cost of providing the services, the funds available to provide the services, and the amount of services provided in other areas of the district compared to their needs.

SEC. 2. Section 99232.5 is added to the Public Utilities Code, to read:

99232.5. (a) Notwithstanding Section 99232, cities within the County of Sacramento which are outside the activated boundaries of the Sacramento Regional Transit District, but which provide transit service or which contract with the district for transit service, may also file claims under Article 8 (commencing with Section 99400) if it is determined by the Sacramento Regional Area Planning Commission, at a public hearing for which 15 days' notice has been given pursuant to Section 6061 of the Government Code, that the transit needs of these cities can be met with use of an amount less than the total apportionment of these cities.

(b) With respect to such a city, not less than 50 percent of its apportionment shall be allocated for Article 4 (commencing with Section 99260) purposes.

CHAPTER 137

An act to amend Section 1538.5 of the Penal Code, relating to suppression of evidence.

[Approved by Governor June 28, 1977 Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 1538.5 of the Penal Code is amended to read:

1538.5. (a) A defendant may move for the return of property or to suppress as evidence any tangible or intangible thing obtained as a result of a search or seizure on either of the following grounds:

(1) The search or seizure without a warrant was unreasonable.

(2) The search or seizure with a warrant was unreasonable because (i) the warrant is insufficient on its face; (ii) the property or evidence obtained is not that described in the warrant; (iii) there was not probable cause for the issuance of the warrant; (iv) the method of execution of the warrant violated federal or state constitutional standards; (v) there was any other violation of federal or state constitutional standards.

(b) When consistent with the procedures set forth in this section and subject to the provisions of Section 170 through 170.6 of the Code of Civil Procedure, the motion should first be heard by the magistrate who issued the search warrant if there is a warrant.

(c) Whenever a search or seizure motion is made in the municipal, justice or superior court as provided in this section, the judge or magistrate shall receive evidence on any issue of fact necessary to determine the motion.

(d) If a search or seizure motion is granted pursuant to the proceedings authorized by this section, the property or evidence shall not be admissible against the movant at any trial or other hearing unless further proceedings authorized by this section or Section 1238 or Section 1466 are utilized by the people.

(e) If a search or seizure motion is granted at a trial, the property shall be returned upon order of the court unless it is otherwise subject to lawful detention. If the motion is granted at a special hearing, the property shall be returned upon order of the court only if, after the conclusion of any further proceedings authorized by this section or Section 1238 or Section 1466, the property is not subject to lawful detention or if the time for initiating such proceedings has expired, whichever occurs last. If the motion is granted at a preliminary hearing, the property shall be returned upon order of court after 10 days unless the property is otherwise subject to lawful detention or unless, within that time, further proceedings authorized by this section or Section 1238 are utilized; if they are utilized, the property shall be returned only if, after the conclusion of such proceedings, the property is no longer subject to lawful detention.

(f) If the property or evidence relates to a felony offense initiated by a complaint, the motion may be made in the municipal or justice court at the preliminary hearing.

(g) If the property or evidence relates to a misdemeanor complaint, the motion shall be made in the municipal or justice court before trial and heard prior to trial at a special hearing relating to the validity of the search or seizure. If the property or evidence relates to a misdemeanor filed together with a felony, the procedure provided for a felony in this section and Sections 1238 and 1539 shall be applicable.

(h) If, prior to the trial of a felony or misdemeanor, opportunity for this motion did not exist or the defendant was not aware of the grounds for the motion, the defendant shall have the right to make this motion during the course of trial in the municipal, justice or superior court.

(i) If the property or evidence obtained relates to a felony offense initiated by complaint and the defendant was held to answer at the preliminary hearing, or if the property or evidence relates to a felony offense initiated by indictment, the defendant shall have the right to renew or make the motion in the superior court at a special hearing relating to the validity of the search or seizure which shall be heard prior to trial and at least 10 days after notice to the people unless the people are willing to waive a portion of this time. The defendant shall have the right to litigate the validity of a search or seizure de novo on the basis of the evidence presented at a special hearing. After the special hearing is held in the superior court, any review thereafter

desired by the defendant prior to trial shall be by means of an extraordinary writ of mandate or prohibition filed within 30 days after the denial of his motion at the special hearing.

(j) If the property or evidence relates to a felony offense initiated by complaint and the defendant's motion for the return of the property or suppression of the evidence at the preliminary hearing is granted, and if the defendant is not held to answer at the preliminary hearing, the people may file a new complaint or seek an indictment after the preliminary hearing, and the ruling at the prior hearing shall not be binding in any subsequent proceeding. If the property or evidence relates to a felony offense initiated by complaint and the defendant's motion for the return or suppression of the property or evidence at the preliminary hearing is granted, and if the defendant is held to answer at the preliminary hearing, the ruling at the preliminary hearing shall be binding upon the people unless, upon notice to the defendant and the court in which the preliminary hearing was held and upon the filing of an information, the people within 15 days after the preliminary hearing request in the superior court a special hearing, in which case the validity of the search or seizure shall be relitigated de novo on the basis of the evidence presented at the special hearing, and the defendant shall be entitled, as a matter of right, to a continuance of the special hearing for a period of time up to 30 days. If defendant's motion is granted at a special hearing in the superior court, the people, if they have additional evidence relating to the motion and not presented at the special hearing, shall have the right to show good cause at the trial why such evidence was not presented at the special hearing and why the prior ruling at the special hearing should not be binding, or the people may seek appellate review as provided in subdivision (o), unless the court prior to the time such review is sought has dismissed the case pursuant to Section 1385. If the property or evidence seized relates solely to a misdemeanor complaint, and the defendant made a motion for the return of property or the suppression of evidence in the municipal court or justice court prior to trial, both the people and defendant shall have the right to appeal any decision of that court relating to that motion to the superior court of the county in which such inferior court is located, in accordance with the California Rules of Court provisions governing appeals from municipal and justice courts in criminal cases. If the people prosecute review by appeal or writ to decision, or any review thereof, in a felony or misdemeanor case, it shall be binding upon them.

(k) If the defendant's motion to return property or suppress evidence is granted and the case is dismissed pursuant to Section 1385, or the people appeal in a misdemeanor case pursuant to subdivision (j), the defendant shall be released pursuant to Section 1318 if he is in custody and not returned to custody unless the proceedings are resumed in the trial court and he is lawfully ordered by the court to be returned to custody.

If the defendant's motion to return property or suppress evidence is granted and the people file a petition for writ of mandate or prohibition pursuant to subdivision (o) or a notice of intention to file such a petition, the defendant shall be released pursuant to Section 1318 unless (1) he is charged with a capital offense in a case where the proof is evident and the presumption great, or (2) he is charged with a noncapital offense defined in Chapter 1 (commencing with Section 187) of Title 8 of Part 1 and the court orders that the defendant be discharged from actual custody upon bail.

(*l*) If the defendant's motion to return property or suppress evidence is granted, the trial of a criminal case shall be stayed to a specified date pending the termination in the appellate courts of this state of the proceedings provided for in this section, Section 1238, or Section 1466 and, except upon stipulation of the parties, pending the time for the initiation of such proceedings. Upon the termination of such proceedings, the defendant shall be brought to trial as provided by Section 1382, and subject to the provisions of Section 1382, whenever the people have sought and been denied appellate review pursuant to subdivision (o), the defendant shall be entitled to have the action dismissed if he is not brought to trial within 30 days of the date of the order which is the last denial of the petition. Nothing contained in this subdivision shall prohibit a court, at the same time as it rules upon the search and seizure motion, from dismissing a case pursuant to Section 1385 when such dismissal is upon the court's own motion and is based upon an order at the special hearing granting defendant's motion to return property or suppress evidence. In a misdemeanor case, the defendant shall be entitled to a continuance of up to 30 days if he intends to file a motion to return property or suppress evidence and needs this time to prepare for the special hearing on the motion. In case of an appeal by the defendant in a misdemeanor case from the denial of such motion, he shall be entitled to bail as a matter of right, and, in the discretion of the trial or appellate court, may be released on his own recognizance pursuant to Section 1318.4.

(m) The proceedings provided for in this section, Section 995, Section 1238, and Section 1466 shall constitute the sole and exclusive remedies prior to conviction to test the unreasonableness of a search or seizure where the person making the motion for the return of property or the suppression of evidence is a defendant in a criminal case and the property or thing has been offered or will be offered as evidence against him. A defendant may seek further review of the validity of a search or seizure on appeal from a conviction in a criminal case notwithstanding the fact that such judgment of conviction is predicated upon a plea of guilty. Such review on appeal may be obtained by the defendant providing that at some stage of the proceedings prior to conviction he has moved for the return of property or the suppression of the evidence.

(n) Nothing contained in this section shall prohibit a person from making a motion, otherwise permitted by law, to return property,

brought on the ground that the property obtained is protected by the free speech and press provisions of the Federal and State Constitutions. Nothing in this section shall be construed as altering (i) the law of standing to raise the issue of an unreasonable search or seizure; (ii) the law relating to the status of the person conducting the search or seizure; (iii) the law relating to the burden of proof regarding the search or seizure; (iv) the law relating to the reasonableness of a search or seizure regardless of any warrant which may have been utilized; or (v) the procedure and law relating to a motion made pursuant to Section 995 or the procedures which may be initiated after the granting or denial of such a motion.

(o) Within 30 days after a defendant's motion is granted at a special hearing in the superior court, the people may file a petition for writ of mandate or prohibition, seeking appellate review of the ruling regarding the search or seizure motion. If the trial of a criminal case is set for a date which is less than 30 days from the granting of a defendant's motion at a special hearing in the superior court, the people, if they have not filed such a petition and wish to preserve their right to file such a petition, shall file in the superior court on or before the trial date or within 10 days after the special hearing, whichever occurs last, a notice of intention to file such a petition and shall serve a copy of the notice upon the defendant.

CHAPTER 138

An act to amend Sections 35145 and 72121 of the Education Code, relating to public schools, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1977 Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 35145 of the Education Code is amended to read:

35145. Except as provided in Sections 54957 and 54957.6 of the Government Code and in Section 35146 of, and subdivision (c) of Section 48914 of, this code, all meetings of the governing board of any school district shall be open to the public, and all actions authorized or required by law of the governing board shall be taken at such meetings and shall be subject to the following requirements:

(a) Minutes must be taken at all such meetings, recording all actions taken by the governing board. Such minutes shall constitute public records, and shall be available to the public.

(b) A list of items on which action may be taken that will constitute the agenda for all regular meetings shall be posted at a place where parents and teachers may view the same at least 48

hours prior to the time of said regular meeting, and, in the case of special meetings, at least 24 hours prior to said special meeting.

This subdivision shall not preclude the taking of testimony at regularly scheduled meetings on matters not on the agenda which any member of the public may wish to bring before the board, provided that no action is taken by the board on such matters at the same meeting at which such testimony is taken. Nothing in this paragraph shall be deemed to replace or limit further discussion on the same subject matter at a subsequent meeting.

SEC. 2. Section 72121 of the Education Code is amended to read:

72121. Except as provided in Sections 54957 and 54957.6 of the Government Code and in Section 72122 of, and subdivision (c) of Section 76041 of, this code, all meetings of the governing board of any community college district shall be open to the public, and all actions authorized or required by law of the governing board shall be taken at such meetings and shall be subject to the following requirements:

(a) Minutes must be taken at all such meetings, recording all actions taken by the governing board. Such minutes shall constitute public records, and shall be available to the public.

(b) A list of items on which action may be taken that will constitute the agenda for all regular meetings shall be posted at a place where parents and teachers may view the same at least 48 hours prior to the time of said regular meeting, and, in the case of special meetings, at least 24 hours prior to said special meeting.

This subdivision shall not preclude the taking of testimony at regularly scheduled meetings on matters not on the agenda which any member of the public may wish to bring before the board, provided that no action is taken by the board on such matters at the same meeting at which such testimony is taken. Nothing is this paragraph shall be deemed to replace or limit further discussion on the same subject matter at a subsequent meeting.

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

In order to provide the public with the opportunity to speak openly at public meetings of school boards at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 139

An act to amend Section 2924f of the Civil Code and to amend Section 692 of the Code of Civil Procedure, relating to sales of real property.

[Approved by Governor June 28, 1977. Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 2924f of the Civil Code is amended to read:

2924f. As used in this section and Sections 2924g and 2924h "property" means real property or a leasehold estate therein.

Before any sale of property can be made under the power of sale contained in any deed of trust or mortgage notice of the sale thereof must be given by posting a written notice of the time and place of sale, and describing the property to be sold, at least 20 days before the date of sale in one public place in the city where the property is to be sold, if the property is to be sold in a city, or, if not, then in one public place in the judicial district in which the property is to be sold, and publishing a copy thereof once a week for the same period, in some newspaper of general circulation published in the city in which the property or some part thereof is situated, if any part thereof is situated in a city, if not, then in some newspaper of general circulation published in the judicial district in which the property or some part thereof is situated, or in case no newspaper of general circulation is published in the city or judicial district, as the case may be, in some newspaper of general circulation published in the county in which the property or some part thereof is situated. A copy of such notice of sale shall also be posted in some conspicuous place on the property to be sold at least 20 days before date of sale. In addition to any other description of the property, the notice shall describe the property by giving its street address, if any, or other common designation, if any; but if the property has no street address or other common designation, the notice shall contain the name and address of the beneficiary at whose request the sale is to be conducted and a statement that directions may be obtained pursuant to a written request submitted to the beneficiary within 10 days from the first publication of such notice. Directions shall be deemed reasonably sufficient to locate the property if information as to the location of the property is given by reference to the direction and approximate distance from the nearest crossroads, frontage road, or access road. If a legal description of the property is given, the validity of the notice and the validity of the sale shall not be affected by the fact that the street address, other common designation, name and address of the beneficiary, or the directions obtained therefrom are erroneous or that the street address, other common designation, name and address of the beneficiary or directions obtained therefrom are omitted. The term newspaper of general circulation as used herein is as defined in Article 1 (commencing with Section 6000) of Chapter 1, Division 7, Title 1 of the Government Code.

SEC. 2. Section 692 of the Code of Civil Procedure is amended to read:

692. Before the sale of property on execution, notice thereof must be given as follows:

1. In case of perishable property: by posting written notice of the time and place of sale in three public places in the city where the

property is to be sold, if the property is to be sold in a city, or, if not, then in three public places in the judicial district in which the property is to be sold, for such time as may be reasonable, considering the character and condition of the property.

2. In case of other personal property: by posting a similar notice in three public places in the city where the property is to be sold, if the property is to be sold in a city, or, if not, then in three public places in the judicial district in which the property is to be sold, for not less than 10 days and also, not less than 10 days prior to the sale, by mailing a notice of the time and place of the sale to the judgment debtor at his business or residence address last known to the judgment creditor or his attorney or delivering such notice to the judgment debtor. It shall be the duty of the party delivering an execution to an officer for levy to furnish the information required by such levying officer to comply with the provisions of this subdivision.

3. In case of real property or a leasehold estate therein: by posting a similar notice particularly describing the property at least 20 days before the date of sale, in one public place in the city where the property is to be sold, if the property is to be sold in a city, or, if not, then in one public place in the judicial district in which the property is to be sold and publishing a copy thereof once a week for the same period, in some newspaper of general circulation published in the city in which the property or the real property in which such a leasehold estate was demised or some part thereof is situated, if any part thereof is situated in a city, if not, then in some newspaper of general circulation published in the judicial district in which the property or some part thereof is situated, or, in case no newspaper of general circulation is published in the city or judicial district, as the case may be, in some newspaper of general circulation published in the county in which the property or some part thereof is situated and at least 20 days before the date of sale by mailing by certified mail a notice of the time and place of sale to the judgment debtor at his business or residence address last known to the judgment creditor or his attorney or delivering such notice to the judgment debtor. It shall be the duty of the party delivering an execution to an officer for levy to furnish the information required by the levying officer to comply with the provisions of this subdivision. Where real property is to be sold under execution upon a judgment a copy of said notice shall be posted in some conspicuous place on the property to be sold, at least 20 days before date of sale, and where a leasehold estate in real property is to be sold under execution upon a judgment a copy of said notice shall be posted in some conspicuous place on the real property in which such a leasehold estate was demised, at least 20 days before date of sale. In addition to particularly describing the property, the notice shall describe the property by giving its street address, if any, or other common designation, if any; but if the property has no street address or other common designation, the notice shall contain the name and address of the beneficiary at whose request the sale is to

be conducted and a statement that directions may be obtained pursuant to a written request submitted to the beneficiary within 10 days from the first publication of such notice. Directions shall be deemed reasonably sufficient to locate the property if information as to the location of the property is given by reference to the direction and approximate distance from the nearest crossroads, frontage road, or access road. If a legal description of the property is given, the validity of the notice and the validity of the sale shall not be affected by the fact that the street address, other common designation, name and address of the beneficiary, or the directions obtained therefrom are erroneous or that the street address, other common designation, name and address of the beneficiary or directions obtained therefrom are omitted. The term newspaper of general circulation as used herein is as defined in Article 1 (commencing with Section 6000) of Chapter 1, Division 7, Title 1 of the Government Code. The term "judgment debtor" does not include a trustor or mortgagor.

4. When the judgment under which the property is to be sold is made payable in a specified kind of money or currency, the several notices required by this section must state the kind of money or currency in which bids may be made at such sale, which must be the same as that specified in the judgment.

CHAPTER 140

An act to amend Sections 18401 and 18402 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor June 28, 1977. Filed with Secretary of State June 29, 1977.]

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

SECTION 1. Section 18401 of the Revenue and Taxation Code is amended to read:

18401. Every individual taxable under this part shall make a return to the Franchise Tax Board, stating specifically the items of the individual's gross income and the deductions and credits allowed by this part, if the individual has for the taxable year—

(a) An adjusted gross income over five thousand dollars ($5,000) if single without preference income;

(b) An adjusted gross income of over ten thousand dollars ($10,000) if married without preference income; or

(c) A gross income of over ten thousand dollars ($10,000), if single, and twelve thousand dollars ($12,000) if married, regardless of the amount of adjusted gross income; or

(d) A total amount of tax preference items in excess of four thousand dollars ($4,000), if single, and eight thousand dollars ($8,000), if married, regardless of the amount of adjusted gross income.

SEC. 2. Section 18402 of the Revenue and Taxation Code is amended to read:

18402. If a husband and wife have for the taxable year an aggregate adjusted gross income of over ten thousand dollars ($10,000) without preference income, or an aggregate gross income of over twelve thousand dollars ($12,000), or a total amount of the preference items in excess of eight thousand dollars ($8,000)—

(a) Each shall make such a return, or

(b) The income of each shall be included in a single joint return, in which case the tax shall be computed on the aggregate income, as provided in Section 17045. No joint return shall be made if: (1) one spouse was a resident for the entire year and the other spouse was a nonresident for all or any portion of the taxable year (this exception shall not apply if the nonresident or his or her spouse was an active member of the armed forces or any auxiliary branch thereof during the taxable year), or (2) husband and wife have different taxable years; except that if such taxable years begin on the same day and end on different days because of the death of either or of both, then the joint return may be made with respect to the taxable year of each. The above exception shall not apply if the surviving spouse remarries before the close of his or her taxable year, nor if the taxable year of either spouse is a fractional part of a year under Section 17553.

(c) In the case of the death of one spouse or both spouses the joint return with respect to the decedent may be made only by the decedent's executor or administrator; except that in the case of the death of one spouse the joint return may be made by the surviving spouse if (1) no return for the taxable year has been made by the decedent, (2) no executor or administrator has been appointed, and (3) no executor or administrator is appointed before the last day prescribed by law for filing the return of the surviving spouse. If an executor or administrator of the decedent is appointed after the making of the joint return by the surviving spouse, the executor or administrator may disaffirm such joint return by making, within one year after the last day prescribed by law for filing the return of the surviving spouse, a separate return for the taxable year of the decedent with respect to which the joint return was made, in which case the return made by the survivor shall constitute his or her separate return.

SEC. 3. This act shall be operative with respect to taxable years beginning on and after January 1, 1977.

CHAPTER 141

An act to amend Sections 101 and 2701 of, and to repeal Sections 101, 101.5, 1601, 2100, 2701, 2841, 3010, 3151, 3910, 3915.5, 4000, 4006, 4360, 4800, 9001, and 9007 of, the Business and Professions Code, relating to state boards, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1977 Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 101 of the Business and Professions Code, as amended by Section 1 of Chapter 546 of the Statutes of 1974, is amended to read:

101. The department is comprised of:

(a) The Board of Dental Examiners of California.

(b) The Board of Medical Quality Assurance of the State of California.

(c) The State Board of Optometry.

(d) The California State Board of Pharmacy.

(e) The Board of Examiners in Veterinary Medicine.

(f) The State Board of Accountancy.

(g) The California State Board of Architectural Examiners.

(h) The State Board of Barber Examiners.

(i) The State Board of Registration for Professional Engineers.

(j) The Contractors' State License Board.

(k) The State Board of Cosmetology.

(*l*) The State Board of Funeral Directors and Embalmers.

(m) The Structural Pest Control Board.

(n) The Bureau of Home Furnishings.

(o) The Board of Registered Nursing.

(p) The State Board of Fabric Care.

(q) The Board of Chiropractic Examiners.

(r) The Board of Behavioral Science Examiners.

(s) The State Athletic Commission.

(t) The Cemetery Board.

(u) The State Board of Guide Dogs for the Blind.

(v) The Bureau of Collection and Investigative Services.

(w) The Certified Shorthand Reporters Board.

(x) The Board of Vocational Nurse and Psychiatric Technician Examiners of the State of California.

(y) The California State Board of Landscape Architects.

(z) The Bureau of Repair Services.

(aa) The Bureau of Employment Agencies.

(ab) The Board of Osteopathic Examiners.

(ac) The Division of Investigation.

(ad) The Bureau of Automotive Repair.

(ae) The State Board of Registration for Geologists and Geophysicists.

(af) The State Board of Examiners of Nursing Home Administrators.

(ag) Any other boards, offices, or officers subject to its jurisdiction by law.

SEC. 2. Section 101 of the Business and Professions Code, as amended by Section 2 of Chapter 546 of the Statutes of 1974, is repealed.

SEC. 3. Section 101.5 of the Business and Professions Code is repealed.

SEC. 4. Section 1601 of the Business and Professions Code, as amended by Section 2 of Chapter 1189 of the Statutes of 1976, is repealed.

SEC. 5. Section 2100 of the Business and Professions Code, as amended by Section 4 of Chapter 1 of the Statutes of 1975 (2nd Extraordinary Session), is repealed.

SEC. 6. Section 2701 of the Business and Professions Code, as amended by Section 1 of Chapter 632 of the Statutes of 1974, is amended to read:

2701. The California Board of Nursing Education and Nurse Registration, consisting of nine members, is continued in existence in the Department of Consumer Affairs as the Board of Registered Nursing.

Within the meaning of this chapter, board, or the board, refers to the Board of Registered Nursing. Any reference in state law to the Board of Nurse Examiners of the State of California or California Board of Nursing Education and Nurse Registration shall be construed to refer to the Board of Registered Nursing.

SEC. 7. Section 2701 of the Business and Professions Code, as amended by Section 2 of Chapter 632 of the Statutes of 1974, is repealed.

SEC. 8. Section 2841 of the Business and Professions Code, as amended by Section 32 of Chapter 1593 of the Statutes of 1971, is repealed.

SEC. 9. Section 3010 of the Business and Professions Code, as amended by Section 11 of Chapter 1189 of the Statutes of 1976, is repealed.

SEC. 10. Section 3151 of the Business and Professions Code, as amended by Section 36 of Chapter 1593 of the Statutes of 1971, is repealed.

SEC. 10.1. Section 3910 of the Business and Professions Code, as amended by Section 2 of Chapter 1186 of the Statutes of 1976, is repealed.

SEC. 10.2. Section 3915.5 of the Business and Professions Code, as amended by Section 1 of Chapter 1244 of the Statutes of 1972, is repealed.

SEC. 11. Section 4000 of the Business and Professions Code, as amended by Section 14 of Chapter 1189 of the Statutes of 1976, is repealed.

SEC. 12. Section 4006 of the Business and Professions Code, as amended by Section 38 of Chapter 1593 of the Statutes of 1971, is repealed.

SEC. 13. Section 4360 of the Business and Professions Code, as amended by Section 42 of Chapter 1593 of the Statutes of 1971, is repealed.

SEC. 14. Section 4800 of the Business and Professions Code, as amended by Section 26 of Chapter 1188 of the Statutes of 1976, is repealed.

SEC. 15. Section 9001 of the Business and Professions Code, as amended by Section 51.5 of Chapter 1188 of the Statutes of 1976, is repealed.

SEC. 16. Section 9007 of the Business and Professions Code, as amended by Section 46 of Chapter 1593 of the Statutes of 1971, is repealed.

SEC. 17. Notwithstanding any other provision of law, including Chapter 1137 of the Statutes of 1970, Chapter 1434 of the Statutes of 1970, Chapter 1217 of the Statutes of 1971, and Chapter 122 of the Statutes of 1973, the provisions of the Governor's Reorganization Plan No. 1 of 1970 which transfer the Board of Chiropractic Examiners, the Board of Dental Examiners, the Board of Medical Quality Assurance, the Board of Registered Nursing, the State Board of Optometry, the Board of Osteopathic Examiners, the California State Board of Pharmacy, the Board of Examiners in Veterinary Medicine, the Board of Vocational Nurse and Psychiatric Technician Examiners, the State Board of Examiners of Nursing Home Administrators, and the Board of Behavioral Science Examiners, from the Department of Consumer Affairs to the State Department of Health (Part 5 of the plan), shall not become operative.

SEC. 18. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

The Governor's Reorganization Plan No. 1 of the 1970 Regular Session became operative on July 1, 1973, except that portion of the plan which transferred the healing arts boards from the Department of Consumer Affairs to the State Department of Health was delayed until July 1, 1977, by Chapter 122 of the Statutes of 1973. In order to repeal that portion of the plan relating to the transfer of the healing arts boards, thereby keeping such boards in the Department of Consumer Affairs, it is necessary that this act take effect immediately.

CHAPTER 142

An act relating to the validation of certain acts with regard to property taxation of taxing agencies and revenue districts and of their officers.

[Approved by Governor June 28, 1977 Filed with Secretary of State June 29, 1977]

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

SECTION 1. As used in this act "taxing agency" includes the state, county, and city. "Taxing agency" also includes every district that assesses property for taxation purposes and levies taxes or assessments on the property so assessed.

SEC. 2. As used in this act "revenue district" includes every city and district for which the county officers assess property and collect taxes or assessments.

SEC. 3. Every act and proceeding heretofore taken by any taxing agency or revenue district or the officers thereof relative to preparing, transmitting, computing, determining or fixing the budget or the tax rate or rates of any taxing agency or revenue district, or to the assessment or equalization of property or to the levy of taxes thereon or to tax sales or certificates of tax sales, tax deeds or other conveyances, are hereby confirmed, validated and declared legally effective.

SEC. 4. (a) This act is limited to the correction of defects, irregularities and ministerial errors which the Legislature originally could have omitted from the statutory requirements of law under which the acts hereby confirmed, validated and declared legally effective were taken.

(b) This act is limited to the validating of acts and proceedings to the extent to which the same can be effectuated under the State and Federal Constitutions.

(c) This act shall not operate to confirm, validate, or legalize any act, proceeding or other matter the legality of which is being contested or inquired into in any legal proceeding, now pending and undetermined or which may be pending and undetermined during the period of 30 days from and after the effective date of this act, and shall not operate to confirm, validate, or legalize any act, proceeding or other matter which has heretofore been determined in any legal proceeding to be illegal, void or ineffective.

(d) Nothing in this act shall operate to make valid any property tax rate which is in excess of that permitted by law.

SEC. 5. If any provisions of this act or its application to any person or circumstances are held invalid, the remainder of the act and the application of its provisions to other persons or circumstances is not affected.

CHAPTER 143

An act to add Section 22725 to the Education Code, relating to the State Teachers' Retirement System.

[Approved by Governor June 28, 1977 Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 22725 is added to the Education Code, to read:

22725. If a retirant returns to active service the employing school district or other employing agency shall not reinstate sick leave for which retirement credit has been given. When a retirant reinstates to membership in the system and subsequently retires he can receive service credit for the unused sick leave accrued after reinstatement.

CHAPTER 144

An act to amend Sections 25506 and 25507 of, and to add Sections 25504.1 and 25504.2 to, the Corporations Code, relating to corporate securities violations.

[Approved by Governor June 28, 1977. Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 25504.1 is added to the Corporations Code, to read:

25504.1. Any person who materially assists in any violation of Section 25110, 25120, 25130, 25133, or 25401, or a condition of qualification under Chapter 2 (commencing with Section 25110) of this part imposed pursuant to Section 25141, or a condition of qualification under Chapter 3 (commencing with Section 25120) of this part imposed pursuant to Section 25141, or an order suspending trading issued pursuant to Section 25219, with intent to deceive or defraud, is jointly and severally liable with any other person liable under Section 25501, 25503, or 25504.

SEC. 2. Section 25504.2 is added to the Corporations Code, to read:

25504.2. (a) Any accountant, engineer, appraiser, or other person whose profession gives authority to a statement made by such person, who has given written consent to be and has been named in any prospectus or offering circular distributed in connection with the offer or sale of securities as having prepared or certified in such capacity either any part of such document or any written report or valuation which is distributed with or referred to in any such document is jointly and severally liable with any other person liable under Section 25501 if:

(1) The part of such document so prepared or certified or the report or valuation so distributed or referred to includes an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and

(2) The person asserting such liability acquired or sold a security described in such document in reliance on such untrue statement or in reliance on such part of the document or on such report or valuation without notice of such omission.

(b) Notwithstanding the provisions of subdivision (a), no such accountant, engineer, appraiser, or other person shall be liable as provided therein if such person sustains the burden of proof that:

(1) Such person had, after reasonable investigation, reasonable ground to believe and did believe, at the time such person consented to such use of such person's name, that the statements so included in such part of such document or in such report or valuation were true and that there was no omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or

(2) Such part of such document did not fairly represent such person's statement as an expert or was not a fair copy of or extract from such person's report or valuation as an expert; or

(3) Prior to the acquisition of the security by the person asserting the liability, such accountant, engineer, appraiser, or other person advised the issuer and the commissioner in writing that such person would not be responsible for such part of the document or the report or valuation.

(c) A person who participates in the preparation of a document described in subdivision (a) of this section shall be deemed to have prepared or certified only those portions thereof which are expressly stated with such person's written consent to have been made on such person's authority.

SEC. 3. Section 25506 of the Corporations Code is amended to read:

25506. No action shall be maintained to enforce any liability created under Section 25500, 25501, or 25502 (or Section 25504, Section 25504.1, or Section 25504.2 insofar as they relate to those sections) unless brought before the expiration of four years after the act or transaction constituting the violation or the expiration of one year after the discovery by the plaintiff of the facts constituting the violation, whichever shall first expire.

SEC. 4. Section 25507 of the Corporations Code is amended to read:

25507. (a) No action shall be maintained to enforce any liability created under Section 25503 (or Section 25504 or Section 25504.1 insofar as they relate to that section) unless brought before the expiration of two years after the violation upon which it is based or the expiration of one year after the discovery by the plaintiff of the facts constituting such violation, whichever shall first expire.

(b) No buyer may commence an action under Section 25503 (or Section 25504 or Section 25504.1 insofar as they relate to that section)

if, before suit is commenced, such buyer shall have received a written offer approved as to form by the commissioner (1) stating the respect in which liability under such section may have arisen, (2) offering to repurchase the security for a cash price payable upon delivery of the security or offering to pay the buyer an amount in cash equal in either case to the amount recoverable by the buyer in accordance with Section 25503, or, offering to rescind the transaction by putting the parties back in the same position as before the transaction, (3) providing that such offer may be accepted by the buyer at any time within a specified period of not less than 30 days after the date of receipt thereof unless rejected earlier during such period by the buyer, (4) setting forth the provisions of this subdivision (b), and (5) containing such other information as the commissioner may require by rule or order, and such buyer shall have failed to accept such offer in writing within the specified period after receipt thereof.

(c) The commissioner may by rule or order impose as a condition to approval of an offer under subdivision (b) of this section, if the commissioner finds such action is necessary and appropriate for the protection of investors, conditions requiring:

(1) That equivalent and concurrent offers be made to all investors as to whom liability may have arisen and still exists under Section 25503 (or Section 25504 or Section 25504.1 insofar as they relate to that section) in connection with the distribution or transaction;

(2) That the offer be made subject to a condition voiding such offer if the issuer, by reason of acceptances, is disabled from commencing or continuing business;

(3) That the offer be made within a specified period after approval thereof by the commissioner;

(4) If the consideration paid by the offeree was other than monetary or if the offer is of recission, and if the offer is rejected by the offeree on the ground that it does not accord him the damages payable under Section 25503 or that the recission offered does not place the parties back in the same position as before the transaction, that an offer so rejected shall not bar the commencement of an action by the offeree under Section 25503 (or Section 25504 or Section 25504.1 insofar as they relate to that section); or

(5) That the offeror file a report or reports with the commissioner containing such information as he may require concerning the making of the offer, its acceptance or rejection, and compliance with its terms and conditions or with conditions imposed under this subdivision.

CHAPTER 145

An act to amend and repeal Section 6140.3 of the Business and Professions Code, relating to attorneys.

[Approved by Governor June 28, 1977 Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 6140.3 of the Business and Professions Code is amended to read:

6140.3. (a) Notwithstanding Section 6140, the board shall fix the annual membership fee as follows:

(1) For active members who have been admitted to the practice of law in this state for ten (10) years or longer, at a sum not exceeding one hundred thirty dollars ($130).

(2) For active members who have been admitted to the practice of law in this state for less than ten (10) years but more than five (5) years preceding the first day of February of the year for which the fee is payable, at a sum not exceeding one hundred fifteen dollars ($115).

(3) For active members who have been admitted to the practice of law in this state for less than five (5) years but more than two (2) years preceding the first day of February of the year for which the fee is payable, at a sum not exceeding eighty-five dollars ($85).

(4) For active members who have been admitted to the practice of law in this state for less than two (2) years preceding the first day of February of the year for which the fee is payable, at a sum not exceeding fifty-five dollars ($55).

(b) For the years commencing January 1, 1973, and ending December 31, 1982, the board may increase the annual membership fee fixed pursuant to subdivision (a) by an additional amount not exceeding ten dollars ($10) in any or all of such years, such additional amount in any year to be applied only to the cost of land and buildings to be used to conduct the operations of the State Bar, including furniture, furnishings, equipment, architects' fees, construction and financing costs, landscaping and other expenditures incident to the acquisition, construction, furnishing and equipping of such land and buildings, the payment of interest on and the repayment of moneys borrowed for such purposes, and the reimbursement of the State Bar's treasury expended for such purposes.

(c) Except as otherwise fixed by the board, the annual membership fee for active members is payable on or before the first day of February of each year.

(d) This section shall remain in effect only until January 1, 1979, and as of that date is repealed.

CHAPTER 146

An act to amend Section 71691 of, and to add Sections 71662 and 71663 to, the Water Code, to amend Section 5 of the Monterey County Flood Control and Water Conservation District Act (Chapter 699 of the Statutes of 1947), and to add Section 5.1 to the County Water Authority Act (Chapter 545 of the Statutes of 1943), relating to water districts and authorities, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1977 Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 71662 is added to the Water Code, to read:

71662. A district may utilize any part of its water, and any part of its works, facilities, improvements, and property used for the development, storage, and transportation of water pursuant to Chapter 2 (commencing with Section 71610) to provide, generate, and deliver hydroelectric power, and may acquire, construct, operate, and maintain any and all works, facilities, improvements, and property necessary or convenient for such utilization.

SEC. 2. Section 71663 is added to the Water Code, to read:

71663. A district may (a) pursuant to contract, provide, sell, and deliver hydroelectric power to the United States of America or any board, department or agency thereof, to the State of California for the purposes of the State Water Resources Development System, and to any public agency, private corporation, or other person or entity, or any combination thereof, engaged in the sale of electric power at retail; or (b) use all or any part of such hydroelectric power directly, or indirectly through exchange, in exercising any of the powers described in Section 71590 or as otherwise provided by law.

For the purposes of this section, "public agency" means a city, county, city and county, district, local agency, public authority, or public corporation.

SEC. 3. Section 71691 of the Water Code is amended to read:

71691. A district may:

(a) Acquire, or contract to acquire, waterworks or a waterworks system, waters, water rights, lands, rights, and privileges.

(b) Construct, maintain, and operate conduits, pipelines, reservoirs, works, machinery, and other property useful or necessary to store, convey, supply, or otherwise make use of water for a waterworks plant or system for the benefit of the district.

(c) Complete, extend, add to, repair, or otherwise improve any waterworks or waterworks system acquired by the district.

(d) Carry on and conduct waterworks or a waterworks system.

(e) Construct, maintain, and operate works, facilities improvements and property of the district useful or necessary for the

provision, generation, and delivery of hydroelectric power pursuant to Sections 71662 and 71663.

SEC. 4. Section 5.1 is added to the County Water Authority Act (Chapter 545 of the Statutes of 1943), to read:

Sec. 5.1. (a) Any authority incorporated as herein provided shall have the power to utilize any part of its water, and any parts of its works, facilities, improvements, and property used for the development, storage, and transportation of water, to provide, generate, and deliver hydroelectric power, and may acquire, construct, operate, and maintain any and all works, facilities, improvements, and property necessary or convenient for such utilization.

(b) Any authority incorporated as herein provided shall have the power (1) pursuant to contract, to provide, sell, and deliver hydroelectric power to the United States of America or to any board, department, or agency thereof, to the State of California for purposes of the State Water Development System, and to any public agency, private corporation or any other person or entity, or any combination thereof, engaged in the sale of electric power at retail; or (2) to use all or any part of such hydroelectric power directly, or indirectly through exchange, in exercising any other power of an authority.

For the purposes of this subdivision, "public agency" means a city, county, city and county, district, local agency, public authority, or public corporation.

SEC. 5. Section 5 of the Monterey County Flood Control and Water Conservation District Act (Chapter 699 of the Statutes of 1947) is amended to read:

Sec. 5. The district is hereby declared to be a body corporate and politic and as such shall have, in addition to the other powers vested in it by this act, the following powers:

1. To have perpetual succession.

2. To sue and be sued in the name of said district in all actions and proceedings in all courts and tribunals of competent jurisdiction.

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

4. To acquire by grant, purchase, lease, gift, devise, contract, construction, or otherwise, and to hold, use, enjoy, sell, let, and dispose of real and personal property of every kind, including lands, structures, buildings, rights-of-way, easements, and privileges, and to construct, maintain, alter and operate any and all works or improvements, within or without the district, necessary or proper to carry out any of the objects or purposes of this act and convenient to the full exercise of its powers, and to complete, extend, add to, alter, remove, repair or otherwise improve any works, or improvements, or property acquired by it as authorized by this act.

5. To store water in surface or underground reservoirs within or outside of the district for the common benefit of the district or of any zone or zones affected; to conserve and reclaim water for present and future use within the district; to appropriate and acquire water and water rights, and import water into the district and to conserve

within or outside of the district, water for any purpose useful to the district; to commence, maintain, intervene in, defend or compromise, in the name of the district in behalf of the landowners therein, or otherwise, and to assume the costs and expenses of any action or proceeding involving or affecting the ownership or use of waters or water rights within or without the district, used or useful for any purpose of the district or of common benefit to any land situated therein, or involving the wasteful use of water therein; to commence, maintain, intervene in, defend and compromise and to assume the cost and expenses of any and all actions and proceedings now or hereafter begun; to prevent interference with or diminution of, or to declare rights in the natural flow of any stream or surface or subterranean supply of waters used or useful for any purpose of the district or of common benefit to the lands within the district or to its inhabitants; to prevent unlawful exportation of water from said district; to prevent contamination, pollution or otherwise rendering unfit for beneficial use the surface or subsurface water used or useful in said district, and to commence, maintain and defend actions and proceedings to prevent any such interference with the aforesaid waters as may endanger or damage the inhabitants, lands, or use of water in, or flowing into, the district; provided, however, that said district shall not have power to intervene or take part in, or to pay the costs or expenses of, actions or controversies between the owners of lands or water rights which do not affect the interests of the district.

6. To control the flood and storm waters of said district and the flood and storm waters of streams that have their sources outside of said district, but which streams and the floodwaters thereof, flow into said district, and to conserve such waters for beneficial and useful purposes of said district by spreading, storing, retaining and causing to percolate into the soil within or without said district, or to save or conserve in any manner all or any of such waters and protect from damage from such flood or storm waters the watercourses, watersheds, public highways, life and property in said district, and the watercourses outside of the district of streams flowing into the district.

7. To cooperate and to act in conjunction with the State of California, or any of its engineers, officers, boards, commissions, departments or agencies, or with the government of the United States, or any of its engineers, officers, boards, commissions, departments or agencies, or with any public or private corporation, or with the County of Monterey, in the construction of any work for the controlling of flood or storm waters of or flowing into said district, or for the protection of life or property therein, or for the purpose of conserving said waters for beneficial use within said district, or in any other works, acts, or purposes provided for herein, and to adopt and carry out any definite plan or system of work for any such purpose.

8. To carry on technical and other necessary investigations, make

measurements, collect data, make analyses, studies, and inspections pertaining to water supply, water rights, control of flood and storm waters, and use of water both within and without said district relating to watercourses or streams flowing in or into said district. For such purposes, the district shall have the right of access through its authorized representatives to all properties within the district and elsewhere relating to watercourses and streams flowing in or into said district. The district, through its authorized representatives, may enter upon such lands and make examinations, surveys, and maps thereof.

9. To enter upon any land, to make surveys and locate the necessary works of improvement and the lines for channels, conduits, canals, pipelines, roadways and other rights-of-way; to acquire by purchase, lease, contract, gift, devise, or other legal means all lands and water and water rights and other property necessary or convenient for the construction, use, supply, maintenance, repair and improvement of said works, including works constructed and being constructed by private owners, lands for reservoirs for storage of necessary water, and all necessary appurtenances, and also where necessary or convenient to said end, and for said purposes and uses, to acquire and to hold in the name of the state, the capital stock of any mutual water company or corporation, domestic or foreign, owning water or water rights, canals, waterworks, franchises, concessions, or rights, when the ownership of such stock is necessary to secure a water supply required by the district or any part thereof, upon the condition that when holding such stock, the district shall be entitled to all the rights, powers and privileges, and shall be subject to all the obligations and liabilities conferred or imposed by law upon other holders of such stock in the same company; to enter into and do any acts necessary or proper for the performance of any agreement with the United States, or any state, county, district of any kind, public or private corporation, association, firm or individual, or any number of them, for the joint acquisition, construction, leasing, ownership, disposition, use, management, maintenance, repair or operation of any rights, works or other property of a kind which might be lawfully acquired or owned by said Monterey County Flood Control and Water Conservation District; to acquire the right to store water in any reservoirs, or to carry water through any canal, ditch or conduit not owned or controlled by the district; to grant to any owner or lessee the right to the use of any water or right to store such water in any reservoir of the district, or to carry such water through any tunnels, canal, ditch, or conduit of the district; to enter into and do any acts necessary or proper for the performance of any agreement with any district of any kind, public or private corporation, association, firm or individual, or any number of them for the transfer or delivery to any such district, corporation, association, firm or individual of any water right or water pumped, stored, appropriated or otherwise acquired or secured, for the use of the Monterey County Flood Control and Water Conservation

District, or for the purpose of exchanging the same for other water, water right or water supply in exchange for water, water right or water supply to be delivered to said district by the other party to said agreement; to cooperate with, and to act in conjunction with, the State of California, or any of its engineers, officers, boards, commissions, departments or agencies, or with the government of the United States, or any of its engineers, officers, boards, commissions, departments or agencies, or with any public or private corporation, in the construction of any work for controlling flood or storm waters of streams in or running into said district, or for the protection of life or property therein, or for the purpose of conserving said waters for beneficial use within said district, or in any other works, acts, or purposes provided for herein, and to adopt and carry out any definite plan or system of work for any such purpose.

10. To incur indebtedness and to issue bonds in the manner herein provided.

11. To cause taxes or assessments to be levied and collected for the purpose of paying any obligation of the district, and to carry out any of the purposes of this act, in the manner hereinafter provided.

12. To make contracts, and to employ labor, and to do all acts necessary for the full exercise of all powers vested in said district or any of the officers thereof, by this act.

13. To buy, provide, sell and deliver water.

14. To exchange water.

15. To distribute water to persons in exchange for ceasing or reducing ground water extractions.

16. To transport, reclaim, purify, treat or otherwise manage and control water for the beneficial use of persons or property within the district.

17. To construct, maintain, improve, and operate public recreational facilities appurtenant to any water reservoir operated or contracted to be operated by the district whether within or without the district, subject to the limitations as to eminent domain use for recreational purposes outside the district set forth in Section 4, and to provide by ordinance regulations binding upon all persons to govern the use of such facilities including regulations imposing reasonable charges for the use thereof.

18. To regulate, inspect, and license all structures, including docks and wharves, or structures used as docks or wharves, and their anchorage or mooring system, that float on or are designed to float on the surface of reservoirs operated or contracted to be operated by the district or that are located within the area subject to its flowage easement, or that are located on real property of the district, and to charge a reasonable fee for licensing such structures. Any of such structures that are unlicensed more than 30 days after notice to license the structure has been posted thereon, or any unlicensed structure that is neither anchored nor moored, or is found on property owned in fee by the district is a nuisance. The district may have injunctive relief for any of such nuisances, or may summarily

abate any untended structure floating on the surface of such reservoir that is neither anchored nor moored, or any untended structure found on property owned in fee by the district. It shall be unlawful and it is hereby declared to be a misdemeanor to maintain, anchor, or moor or suffer to be maintained, anchored, or moored on property of which one is possessed any unlicensed structure when such structure is required to be licensed pursuant to the provisions of this act. Such misdemeanor shall be punishable by a fine not to exceed five hundred dollars ($500) or by imprisonment in the county jail for not to exceed six months, or by both such fine and imprisonment. Each day of violation of these provisions shall constitute a separate offense.

19. To utilize any part of its water, and any part of its works, facilities, improvements, and property used for the development, storage, and transportation of water pursuant to this section to provide, generate, and deliver hydroelectric power, and to acquire, construct, operate, and maintain any and all works, facilities, improvements, and property necessary or convenient therefor.

20. Pursuant to contract, to provide, generate, sell, and deliver hydroelectric power to the United States of America or any board, department or agency thereof, to the State of California for the purposes of the State Water Resources Development System and to any public agency, public utility, private corporation, or other person or public entity, or any combination thereof, engaged in the sale of electric power. For the purposes of this subdivision, "public agency" means a city, county, city and county, district, local agency, public authority, or public corporation.

21. To construct, maintain, and operate works, facilities, improvements, and property of the district useful or necessary for the provision, generation, and delivery of hydroelectric power, pursuant to paragraphs 19 and 20 of this section.

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

The present critical energy situation has focused public attention on energy uses, resources, and the prospects for meeting both existing and future energy demands. It is necessary to resolve uncertainties as to the legal power of municipal water districts and county water authorities to design, construct and operate hydroelectric power generation plants or units at locations on their water distribution systems wherever it is determined to be feasible, which plants or units will utilize presently existing hydraulic power that now is wasted in connection with the operation of the systems, and thus contribute to the energy supply of the state and the nation, electric power that otherwise would not exist. In order that this new source of electric power can be provided at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 147

An act to add Sections 828 and 830 to, to add Article 4 (commencing with Section 861) to Chapter 4 of Part 2 of Division 1 of, to repeal Sections 828, 828.5, and 830 of, and to repeal Article 4 (commencing with Section 866) and Article 5 (commencing with Section 891) of Chapter 4 of Part 2 of Division 1 of, the Revenue and Taxation Code, relating to property taxation.

[Approved by Governor June 28, 1977. Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 828 of the Revenue and Taxation Code is repealed.

SEC. 2. Section 828 is added to the Revenue and Taxation Code, to read:

828. Any person with knowledge or records pertinent to the appraisal of state-assessed property shall make them available to the board on request.

SEC. 3. Section 828.5 of the Revenue and Taxation Code is repealed.

SEC. 4. Section 830 of the Revenue and Taxation Code is repealed.

SEC. 5. Section 830 is added to the Revenue and Taxation Code, to read:

830. (a) The property statement shall be filed with the board annually by April 1, and shall be in such detail as the board may prescribe.

Except as hereinafter provided, if any person fails to file the property statement, in whole or in part, by April 1, or by such later date to which the filing period is extended pursuant to Section 15620 of the Government Code, a penalty shall be added to the full value of the assessment of so much of the property as is not timely reported as follows:

(1) For any part of the property statement relating to the derivation of the unit value of operating property the penalty shall be 10 percent of the unit value;

(2) For any part of the property statement that lists or describes specific operating property, the penalty shall be 10 percent of the allocated value of such property, which penalty shall be added to the unit value;

(3) For any part of the property statement that lists or describes specific nonoperating property, the penalty shall be 10 percent of the value of such property.

(4) No penalty added pursuant to paragraph (1), (2), or (3) of this subdivision shall exceed five million dollars ($5,000,000) of full value

(b) Any person who subscribes to the board's tax rate area change service and receives a change mailed between April 1 and May 1,

shall file a corrected statement no later than May 30 with respect to those parts of the property statement which are affected by the change.

If such person receives a change mailed after May 1, a corrected statement shall be filed no later than the 60th day following the mailing of such change.

(c) Penalties incurred for filings received after June 30 may be included with the assessments for the succeeding fiscal year.

(d) If the assessee establishes to the satisfaction of the board that the failure to file the property statement or any of its parts within the time required by this section was due to reasonable cause and occurred notwithstanding the exercise of ordinary care and the absence of willful neglect, the board shall order the penalty abated, provided the assessee has filed with the board written application for abatement of the penalty within the time prescribed by law for the filing of applications for assessment reductions.

SEC. 6. Article 4 (commencing with Section 866) of Chapter 4 of Part 2 of Division 1 of the Revenue and Taxation Code is repealed.

SEC. 7. Article 4 (commencing with Section 861) is added to Chapter 4 of Part 2 of Division 1 of the Revenue and Taxation Code, to read:

Article 4. State Assessed Property Escaping Assessment

861. If any property subject to assessment by the board pursuant to Section 19 of Article XIII of the Constitution escapes assessment, the board shall assess it in accordance with Section 864 at its value on the lien date of the year in which it escaped assessment.

862. When an assessee, after a request by the board, fails to file a property statement or files with the board a property statement or report on a form prescribed by the board with respect to state-assessed property and the statement fails to report any taxable tangible property information accurately, regardless of whether or not this information is available to the assessee, to the extent that such failures cause the board not to assess the property or to assess it at a lower valuation than it would have had the property information been reported accurately, the property shall be assessed in accordance with Section 864, and a penalty of 10 percent shall be added to the additional assessment. If the failure to report or the failure to report accurately is willful or fraudulent, a penalty of 25 percent shall be added to the additional assessment.

863. If any state assessee or his agent willfully conceals, fails to disclose, removes, transfers, or misrepresents state-assessed property in order to evade taxation and this action results in state-assessed property escaping assessment, or if any state assessee or his agent through fraudulent act or fraudulent omission or through collusion between the state assessee or his agent and the board, its officers, or employees causes any state-assessed property to escape assessment, a penalty shall be imposed as follows:

(a) Insofar as values escaping assessment are part of the unit value, 25 percent of the additional unit assessed value shall be added to the unallocated unit assessment.

(b) Insofar as the values escaping assessment relate to the assessment of nonunitary property, 25 percent of the additional assessment shall be added to the nonunitary assessment.

864. Property which is found to have escaped assessment may either be added to the roll for the fiscal year in which it is discovered or included with the assessments for the succeeding fiscal year. Such property shall be taxed at the rates applicable to assessments on the roll to which it is added.

865. When the value of a state assessee's unitary property that lies in more than one tax-rate area has been underallocated to one or more tax-rate areas and overallocated by a like amount to one or more other tax-rate areas for any reason, the misallocation shall be corrected by the board either by orders directing local auditors to amend the rolls for the fiscal year in which the misallocation is discovered or by changes on the board rolls for the fiscal year succeeding discovery.

866. Any assessment to which the penalty provided in Section 863 must be added shall be made within six years of July 1 of the assessment year in which the property escaped assessment. Any other escaped assessment shall be made within four years of July 1 of the assessment year in which the property escaped assessment.

867. An assessment made pursuant to this article against real property for the year or years in which such real property escaped assessment shall not create or impose a lien or charge on such real property for taxes, interest, or penalty if (1) such real property has been transferred or conveyed to a bona fide purchaser for value prior to the date of such assessment and the showing thereof on the secured roll with the date of entry specified thereon; or (2) such real property is subject to a lien of a bona fide encumbrance for value created and attaching prior to the date of such assessment and the showing thereof on the secured roll with the date of entry specified thereon. In such cases, the assessor or tax collector may record with the county recorder of any county a certificate which shall set forth the name of the person who would have been the assessee in the year in which such real property escaped assessment and the amount or amounts of any such assessments and penalties. From the date of the recording of such certificate, a lien shall be created and shall attach against any real property owned by such person in the county or counties in which any such certificates may have been recorded, which lien shall have the force, effect and priority of a judgment lien.

The tax collector, with the approval of the board of supervisors, may at any time release all or any portion of real property subject to any lien created or attaching by the recording of such a certificate from such lien or subordinate such lien to other liens and encumbrances if he determines that the assessment or taxes are sufficiently secured by a lien on other property belonging to the

person named in such a certificate or that the release or subordination will not endanger or jeopardize the collection of such assessment or taxes.

A written certification by the tax collector to the effect that real property subject to any lien imposed by the recording of the certificate as hereinbefore provided has been released from such lien or that such lien has been subordinated to other liens shall be conclusive evidence as to any bona fide purchaser, encumbrancer, or lessee that such lien has been released or has been subordinated as set forth in such written certification. Such written certification may be recorded with the county recorder of any county.

SEC. 8. Article 5 (commencing with Section 891) of Chapter 4 of Part 2 of Division 1 of the Revenue and Taxation Code is repealed.

CHAPTER 148

An act to amend Section 1765 of the Insurance Code, relating to surplus line brokers.

[Approved by Governor June 28, 1977. Filed with Secretary of State June 29, 1977.]

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

SECTION 1. Section 1765 of the Insurance Code is amended to read:

1765. Upon application in such form as the commissioner prescribes and subject to the provisions of Sections 1666, 1667 and 1668, the commissioner shall issue a license authorizing any applicant that is trustworthy and competent to transact an insurance brokerage business in such manner as to safeguard the interest of the insured, to act as a surplus line broker from the date of such license until the first day of July succeeding, on the delivery to the commissioner of a bond to the people of the State of California in the sum of fifty thousand dollars ($50,000) conditioned that such licensee will fully and faithfully comply with the requirements of this chapter, and all applicable provisions of this code. Such bond shall be subject to the provisions of Sections 1662, 1663 and 1664.

The commissioner shall charge and collect in advance a fee of two hundred dollars ($200) for filing each application for a license to act as a surplus line broker.

CHAPTER 149

An act to amend Sections 45119, 45120 and 45319 of, and to add Section 45120.1 to, the Education Code, relating to school employees, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1977 Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 45119 of the Education Code is amended to read:

45119. Whenever, by reason of any reorganization, other than the unification of districts, all or part of the territory of any school district which has adopted the merit system is included within any district, or in any new district, the governing board of the acquiring or new district shall adopt such merit system if a simple majority of the classified employees of the reorganized district voting on the adoption of a merit system approve its adoption pursuant to Section 45221. If no such election is requested by the classified employees of the reorganized district pursuant to Section 45221, adoption of a merit system shall be effective only if the number of classified employees from the merit system district who are to become employees of the acquiring district equals or exceeds the number of classified employees of the acquiring nonmerit system district. In the event that any district simultaneously acquires all or part of the territory of two or more districts which have previously adopted the merit system, the governing board of the acquiring or new district shall adopt a merit system containing such provisions as are necessary to afford to all employees the rights guaranteed by this section if a simple majority of the classified employees of the reorganized district voting on the adoption of a merit system approve its adoption pursuant to Section 45221. If no such election is requested by the classified employees of the reorganized district pursuant to Section 45221, adoption of a merit system shall be effective only if the number of classified employees from the merit system district who are to become employees of the acquiring district equals or exceeds the number of classified employees of the acquiring nonmerit system district. The employees of the reorganized or new district shall retain all rights and privileges as if they had been employed under the provisions of Article 6 (commencing with Section 45240) of this chapter, with seniority commencing as of the date of original employment in their original district. Where there are more than a sufficient number of employees for a given classification under the provisions of Article 6 (commencing with Section 45240) of this chapter, such personnel shall be retained in employment for a period of not less than two years as if the reorganization had not occurred but without prejudice

to the powers of the personnel commission and governing board of the reorganized district to reasonably reassign such persons. If at the expiration of such period, upon a finding made by the personnel commission that there are excess personnel in any given classification, such personnel shall, if the governing board so directs, be placed upon appropriate reemployment lists for 39 months and, if so placed, shall be offered and may accept positions of lower rank in their line of promotion in the order of seniority as established by this section in accordance with rules drawn in compliance with the provisions of Article 6 (commencing with Section 45240) of the chapter. The acceptance of a position in lower rank in accordance herewith shall not be deemed to constitute a waiver of the right to reemployment at the original level should a vacancy at such level occur within the period mentioned in this section.

SEC. 2. Section 45120 of the Education Code is amended to read:

45120. If all or any part of any district or districts which is unified with all or any part of a district, has, or have, the merit system prior to the date of the reorganization election, all employees not legally requiring certification qualifications of the reorganized district shall be employed in accordance with Article 6 (commencing with Section 45240) of this chapter if a simple majority of the classified employees of the reorganized district voting on the adoption of a merit system approve its adoption pursuant to Section 45221. If no such election is requested by the classified employees of the reorganized district pursuant to Section 45221, adoption of a merit system shall be effective only if the number of classified employees from the merit system district who are to become employees of the acquiring district equals or exceeds the number of classified employees of the acquiring nonmerit system district. If on the date of such reorganization election, two or more of the said defined districts of such reorganized district have merit systems, the reorganized district shall adopt a single merit system which shall contain all provisions necessary to secure to all employees the rights guaranteed by Section 45121 of this code.

Seniority of the personnel of the reorganized district shall be established as of the date of original employment in the district or districts as defined above. Where there are more than a sufficient number of employees for a given classification under the provisions of Article 6 (commencing with Section 45240) of this chapter, such personnel shall be retained in employment for a period of not less than two years as if the reorganization had not occurred but without prejudice to the powers of the personnel commission and the governing board of the new unified district to reasonably reassign such person. If at the expiration of such period, upon a finding made by the personnel commission that there are excess personnel in any given classification, such personnel shall, if the governing board so directs, be placed upon appropriate reemployment lists for 39 months, and shall, if so placed, be offered and may accept positions of lower rank in their line of promotion in the order of seniority as

established by this section in accordance with rules drawn in compliance with the provisions of Article 6 (commencing with Section 45240) of this chapter. The acceptance of a position in lower rank in accordance herewith shall not be deemed to constitute a waiver of the right to reemployment at the original level should a vacancy at such level occur within the period mentioned in this section.

SEC. 3. Section 45120.1 is added to the Education Code, to read:

45120.1. Notwithstanding the provisions of Sections 45119 and 45120, when any school district involved in any reorganization, annexation, unionization, merger, or unification is not required to adopt the merit system, the classified employees of such district who formerly were employed by a district having the merit system shall retain for a period of two years the salary, benefits, seniority, and other rights which they would have had had the reorganization not occurred.

SEC. 4. Section 45319 of the Education Code is amended to read:

45319. If the governing board of a school district receives a written petition of qualified electors not less in number than 10 percent of the number voting in the last election for a member of the governing board calling for the termination of the merit (civil service) system and the system has been in operation for not less than five years or has been imposed pursuant to the terms of Section 45119 or 45120, the governing board shall order the county superintendent of schools to place the question of termination of the system on the ballot at the next regular governing board member election, or the next primary or general election in a general election year, whichever is the earlier after receipt by the county superintendent of schools.

The statement of purpose of the election shall read.

"Shall the merit (civil service) system for school employees not requiring certification qualifications, as provided for in Article 6 (commencing with Section 45240) of Chapter 5 of Part 25, of Division 3 of Title 2 of the Education Code of the State of California, and which has been in operation for at least five years, be terminated by the _____ School District of _____ County (or counties, where appropriate) on _____ (date to be specified by governing board)?"

The petition calling for the election, to be valid, must contain the statement of purpose for the election as contained in this section.

SEC. 5. This act shall apply to any action to reorganize a district which was completed in or after 1976 and which is to become effective on or after July 1, 1977.

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

In 1976 in at least one school district in the state, the voters approved a transfer of territory from one district having the merit system to another not having the merit system. Approximately 10

employees from the district whose territory is being transferred would become employees of the acquiring district. The acquiring school district employs approximately 700 classified employees. Unless this act becomes operative immediately, the acquiring district will be forced by operation of law without the approval of the classified employees of that district to adopt the merit system for all its classified employees. In order to avoid this unfortunate result, it is necessary that this act take effect immediately.

CHAPTER 150

An act to amend Section 1141 of the Probate Code, relating to public administration of decedents' estates.

[Approved by Governor June 28, 1977. Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 1141 of the Probate Code is amended to read:

1141. When a public administrator takes charge of an estate of a decedent which he is entitled to administer, without letters of administration being issued, or under order of the court, as provided in this chapter, he may make an immediate search for a will and burial instructions of the decedent if none have theretofore been produced, and in furtherance thereof shall, upon his furnishing written certification that there are reasonable grounds to believe that he is entitled to administer the estate, be granted access to any safe deposit box held in the sole name of the decedent by the bank, corporation, or other financial institution which rented the box to the decedent, for inspection and the removal of any will or burial instructions found. Any costs or expenses which may be incurred for drilling or forcing the safe deposit box shall be borne by the estate of the decedent. If a will is found, the public administrator or custodian shall forthwith deliver it to the clerk of the superior court having jurisdiction of the estate or to the executor named therein in like manner as a custodian is required to do by Section 320. If burial instructions are found, he shall forthwith deliver the instructions to the person or persons upon whom the right to control disposition of the decedent's remains and the duty of his interment devolves, as established by Section 7100 of the Health and Safety Code. If he is entitled to administer the estate, he must, with all convenient dispatch, procure letters of administration thereon, in like manner and on like proceedings as letters of administration are issued to other persons. His official bond and oath are in lieu of the administrator's or executor's bond and oath on the grant of special letters of administration, or general letters of administration, or letters of administration with the will annexed, or letters

testamentary; but when real property is sold, another bond may be required by the court, as in the case of other administrators. The receipt of the written certification provided by this section shall constitute sufficient acquittance for granting access to the decedent's safe deposit box and for the removal therefrom of the decedent's will and burial instructions, if any, and shall fully discharge the bank, corporation, or other financial institution which rented the box to the decedent from any liability for granting such access or for any act or omission of the public administrator with reference thereto, without the necessity of inquiring into the truth of any of the facts stated in the certification.

CHAPTER 151

An act to amend Section 66504 of the Government Code, relating to Metropolitan Transportation Commission.

[Approved by Governor June 28, 1977 Filed with Secretary of State June 29, 1977.]

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

SECTION 1. Section 66504 of the Government Code is amended to read:

66504. Each commissioner's term of office is four years. A commissioner appointed as a public officer vacates his commission seat upon ceasing to hold such public office unless the appointing authority consents to completion of the term of office. Commissioners shall be selected for their special familiarity with the problems and issues in the field of transportation.

CHAPTER 152

An act relating to the Salinas Union High School District, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1977. Filed with Secretary of State June 29, 1977]

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

SECTION 1. The Governing Board of the Salinas Union High School District, which maintains and operates junior high school facilities to serve the pupils of one or more, but fewer than all, of its component elementary school districts, is hereby authorized to form an improvement area comprised of the territory of such elementary school districts served by junior high school facilities for the issuance

and sale of bonds for any one or more of the purposes stated in Section 15100 of the Education Code but limited to a junior high school or junior high schools to serve the pupils of the elementary school districts.

A single election may be held at which the qualified voters of the proposed improvement area shall vote on the following measures: (a) whether an improvement area shall be formed for any one or more of the purposes stated in Section 15100 of the Education Code, and (b) whether bonds shall be authorized for the purposes stated in Section 15100 of the Education Code but limited to junior high school facilities or a tax levied to pay rent for leased junior high school facilities as provided for in Section 2 of this act.

Subsequent elections may be held on the foregoing measures, subject to the terms and conditions for elections specified in the Elections Code.

If an improvement area is authorized by the electorate under the terms of Chapter 2 (commencing with Section 15100) of Part 10 of the Education Code, Sections 54900 to 54903.1, inclusive, of the Government Code, shall apply to such improvement area.

The principal of and interest on bonds issued for such purpose or purposes shall be paid from taxes levied only upon the property in the improvement area and otherwise in accordance with the provisions of Article 9 (commencing with Section 15250) and Article 10 (commencing with Section 15260) of Chapter 2 of Part 10 of the Education Code. Such indebtedness and the issuance of the bonds shall be subject to laws governing the incurrence of bonded indebtedness by school districts, except that approval of the incurrence of the indebtedness may be given by the electorate of the improvement area rather than the entire school district, in accordance with such laws.

The debt service requirements of any bond so issued and sold shall be the sole obligation of the territory included in the improvement area. The total amount of bonds issued pursuant to this section for an improvement area shall not exceed 5 percent of the taxable property of such improvement area as shown by the last equalized assessment of Monterey County in which the Salinas Union High School District is located, and as modified pursuant to Section 41201 of the Education Code. The amounts of all bonds issued for any improvement area established in the Salinas Union High School District pursuant to this section shall be subject to the limitations of Section 15102 of the Education Code.

SEC. 2. Notwithstanding any provisions of Article 2 (commencing with Section 39300) of Chapter 3 of Part 23 of the Education Code, the Governing Board of the Salinas Union High School District may enter into leases or agreements in accordance with the provisions of Article 2 (commencing with Section 39300) of Chapter 3 of Part 23 of the Education Code for junior high school facilities, provided that any vote otherwise required of the electors of the Salinas Union High School District by the provisions of Article 2 (commencing with

Section 39300) of Chapter 3 of Part 23 of the Education Code shall be confined only to the electorate of the territories encompassing the improvement area and any tax authorized by said vote shall be confined only to such territories.

SEC. 3. Due to the unique circumstances concerning the needs for new school facilities of the Salinas Union High School District, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

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

In order that an election may be held to permit the establishment of improvement areas within the Salinas Union High School District for the construction of needed school facilities, at the earliest possible time, it is essential that this act take immediate effect.

SEC. 5. This act shall remain in effect only until January 1, 1981, and as of that date is repealed, unless a later enacted statute which is chaptered before January 1, 1981, deletes or extends such date.

CHAPTER 153

An act to amend Section 10475 of the Business and Professions Code, relating to real estate.

[Approved by Governor June 28, 1977 Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 10475 of the Business and Professions Code is amended to read:

10475. Should the commissioner pay from the separate account in the Real Estate Fund for education, research, and recovery purposes any amount in settlement of a claim or toward satisfaction of a judgment against a licensed broker or salesman, the license of the broker or salesman shall be automatically suspended upon the effective date of an order by the court as set forth herein authorizing payment from the separate account in the Real Estate Fund for education, research, and recovery purposes. No such broker or salesman shall be granted reinstatement until he has repaid in full, plus interest at the prevailing legal rate applicable to a judgment rendered in any court of this state, the amount paid from the separate account in the Real Estate Fund for education, research, and recovery purposes on his account. A discharge in bankruptcy shall not relieve a person from the penalties and disabilities provided in this article.

CHAPTER 154

An act to amend Sections 12505, 12702, 12704, 12720, 12721, 12723, 12727, 12735, 12739, 12759, 12772, 12774, 12790, 12791, 12793, 12797, and 12799.4 of, to repeal and add Sections 12714, 12715, 12728.1, 12751, 12752, 12762.1, 12784, 12785, and 12799.25 of, and to repeal Sections 12716, 12717, 12753, 12754, 12786, and 12787 of, the Business and Professions Code, relating to weights and measures.

[Approved by Governor June 28, 1977 Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 12505 of the Business and Professions Code is amended to read:

12505. Whenever a sealer examines any weight or measure or weighing, measuring or counting instrument and finds it to be correct as defined in subdivision (d) of Section 12500, he shall seal or mark such weight, measure or instrument with an appropriate device approved by the department, placed so as to provide optimum visibility to the customer, showing that the weight, measure or instrument was inspected and indicating the date of the inspection.

SEC. 2. Section 12702 of the Business and Professions Code is amended to read:

12702. No person shall perform any act described in this chapter unless licensed as a public weighmaster pursuant to this chapter.

A public weighmaster shall issue a certificate of weights and measures whenever payment for the commodity or service represented is dependent on a written or printed weight, measure, or count.

All signatures required by this chapter shall be affixed at the time of issuance of the certificate.

SEC. 3. Section 12704 of the Business and Professions Code is amended to read:

12704. A warehouse receipt, of a form approved by the department and issued in accordance with the law, when signed by a licensed public weighmaster or deputy public weighmaster showing the weight, measure or count of any commodity stored in a warehouse, constitutes the issuance of a certificate of weights and measures under this chapter.

SEC. 4. Section 12714 of the Business and Professions Code is repealed.

SEC. 5. Section 12714 is added to the Business and Professions Code, to read:

12714. A public weighmaster shall be responsible for assuring that the public weighmaster certificates issued by him, or his deputy acting for him, are complete and contain all information required by

Section 12715 that is applicable to each transaction.

It shall be unlawful to issue, or cause to be issued, a public weighmaster certificate if the certificate is not completed by containing all of the information required by Section 12715, for the commodity weighed.

SEC. 6. Section 12715 of the Business and Professions Code is repealed.

SEC. 7. Section 12715 is added to the Business and Professions Code, to read:

12715. In addition to the information required by this section pertaining to the weight, measure or count of the vehicle, commodity or article, there shall appear in an appropriate and conspicuous place on each certificate, and all copies, the following legend:

WEIGHMASTER'S CERTIFICATE OF WEIGHT AND MEASURE

THIS IS TO CERTIFY that the following described merchandise was weighed, measured or counted by a public weighmaster, and his signature is a recognized authority of accuracy as prescribed by Chapter 7 (commencing with Section 12700) of Division 5 of the California Business and Professions Code, administered by the Division of Measurement Standards of the Department of Food and Agriculture of the State of California.

There shall also appear on each certificate and all copies, immediately above the weighmaster's signature space, the printed name of the principal public weighmaster as it appears on the license and bond.

Each certificate shall be numbered consecutively and shall provide for the following information as applicable to the transaction:

(a) The date on which the product or commodity was weighed, measured or counted. If gross and tare weights are determined by different weighmasters, each signature shall be dated.

(b) The name of the nearest city or town where the weighing or measuring occurred and the location of the scale.

(c) The complete signature of the weighmaster who determined each weight or measure. In an automatic weighing system, the signature may be defined by the director by regulation.

(d) The kind of product or article and such other information as may be necessary to identify the product or distinguish it from a like kind.

(e) The number of units of the product or article. The procedure for determining the acceptable source of this information may be prescribed by the director by regulation.

(f) The name of the owner, or his agent, and the consignee.

(g) One of the following:

(1) The gross weight of the product and the vehicle or container;

(2) The tare weight of the unladen vehicle or container;

(3) The gross, tare and net weights when a gross and tare are used in determining the net weight;

(4) The true net weight, measure or count when no gross and tare are involved in determining the net quantity of the product.

(h) The tare weights and description of boxes, bins, pallets or other containers.

(i) The name of the carrier and the license numbers of the vehicle and each unit of a combination of vehicles being weighed.

(j) The unit of measure, such as pounds, tons, gallons, kilograms or cubic yards, used to determine the quantity.

SEC. 8. Section 12716 of the Business and Professions Code is repealed.

SEC. 9. Section 12717 of the Business and Professions Code is repealed.

SEC. 10. Section 12720 of the Business and Professions Code is amended to read:

12720. Certificates of weights and measures issued by public weighmasters shall contain the accurate and correct weight or measure or count of any and all commodities or products weighed or measured or counted.

Any public weighmaster who issues a certificate of weights and measures without first weighing, measuring or counting the article or commodity, or first causing his deputy to weigh, measure or count the article or commodity, when permitted by regulations, or who knowingly issues a certificate of weights and measures giving thereon a false weight or measure or count of the article or commodity weighed or measured or counted by him or his deputy, is guilty of a misdemeanor.

SEC. 11. Section 12721 of the Business and Professions Code is amended to read:

12721. Any erroneous entry affecting the accuracy of the weight, measure or count on a certificate of weights and measures shall be corrected by the issuance of a "correction certificate."

A copy of such "correction certificate" shall be attached to the file copy of the erroneous certificate and all available certificates.

Procedures for "voiding" and disposition of voided certificates shall be prescribed by regulation by the director.

SEC. 12. Section 12723 of the Business and Professions Code is amended to read:

12723. Any person is guilty of a misdemeanor who does any of the following acts:

(a) Requests a public weighmaster, or any person employed by him, to weigh, measure or count any commodity falsely or incorrectly.

(b) Requests a false or incorrect certificate of weights and measures.

(c) Possesses unfilled or unused certificates of weights and

measures forms if he is not a public weighmaster. This subdivision does not apply to the following persons:

(1) Persons engaged in the business of printing certificates of weights and measures forms and their representatives.

(2) Persons possessing or transporting combination grade and weight certificates to be used by employees of marketing order boards or grading inspection services of either the Department of Agriculture of this state or the United States under conditions prescribed by regulation adopted by the Director of Agriculture of this state pursuant to Section 12738.

(d) Furnishes or gives false information to a weighmaster for use in the completion of a certificate of weights and measures.

(e) Presents for payment a certificate made false by the insertion of any weight, measure or count not determined by the issuing weighmaster.

SEC. 13. Section 12727 of the Business and Professions Code is amended to read:

12727. Any weighmaster may, in accordance with regulations prescribed by the director, use a tare weight for a vehicle, container, or pallet, which has been determined by a public weighmaster, for certification purposes. The owner or responsible party shall be legally responsible for maintaining the accuracy of such tare weight of the vehicle, container, or pallet within a variation prescribed by the director.

SEC. 14. Section 12728.1 of the Business and Professions Code is repealed.

SEC. 15. Section 12728.1 is added to the Business and Professions Code, to read:

12728.1. A public weighmaster shall not certify to the gross weight of a vehicle whenever all of the following conditions prevail:

(a) The scale is located at the site where the vehicle is loaded;

(b) The vehicle is weighed before entering a highway; and

(c) The vehicle's gross weight exceeds 80,000 pounds, unless a special permit authorizing a greater gross weight for the vehicle has been issued therefor pursuant to Section 35780 of the Vehicle Code.

Failure of a public weighmaster to comply with the provisions of this section shall be punishable as a misdemeanor.

SEC. 16. Section 12735 of the Business and Professions Code is amended to read:

12735. Notwithstanding any other provisions of this code, where livestock is sold on the basis of weight at a public salesyard, or by or at any livestock market, market agency or dealer which is subject to the Federal Packers and Stockyards Act, such livestock shall be weighed by a public weighmaster licensed under the laws of this state and a certificate of weights and measures, made at the time of weighing, shall be issued to the buyer and seller upon completion of the transaction.

The term "livestock," when used in this chapter, shall be construed to include cattle, sheep, swine, horses, mules or goats.

SEC. 17. Section 12739 of the Business and Professions Code is amended to read:

12739. In addition to the information required to be recorded on the certificate by Section 12715, the certificate shall include, in the case of vehicles transporting baled hay, the following information:

(a) The gross weight of the load of hay and the vehicle at the time of the initial weighing.

(b) If there are any corrections made in the load of hay after the initial weighing, the gross weight of the load of hay and the vehicle at the time of reweighing after such correction.

(c) The full name and address of the seller and of either the purchaser or the broker of the hay as obtained from the driver of the vehicle.

It shall be unlawful for failure to include all of the above information on a weighmaster certificate representing baled hay.

SEC. 18. Section 12751 of the Business and Professions Code is repealed.

SEC. 19. Section 12751 is added to the Business and Professions Code, to read:

12751. A private weighmaster shall be responsible for assuring that the private weighmaster certificates issued by him, or his deputy acting for him, are complete and contain all information required by Section 12752 that is applicable to each transaction.

It shall be unlawful to issue, or cause to be issued, a private weighmaster certificate if the certificate is not completed by containing all of the information required by Section 12752 for the commodity weighed.

SEC. 20. Section 12752 of the Business and Professions Code is repealed.

SEC. 21. Section 12752 is added to the Business and Professions Code, to read:

12752. In addition to the information required by this section pertaining to the weight, measure or count of the vehicle, commodity or article, there shall appear in an appropriate and conspicuous place on each certificate, and all copies, the following legend:

WEIGHMASTER'S CERTIFICATE OF WEIGHT AND MEASURE

THIS IS TO CERTIFY that the following described merchandise was weighed, measured or counted by a private weighmaster, and his signature is a recognized authority of accuracy as prescribed by Chapter 7.3 (commencing with Section 12740) of Division 5 of the California Business and Professions Code, administered by the Division of Measurement Standards of the Department of Food and Agriculture of the State of California.

There shall also appear on each certificate, and all copies,

immediately above the weighmaster's signature space, the printed name of the principal private weighmaster as it appears on the license and bond.

Each certificate shall be numbered consecutively and shall provide for the following information as applicable to the transaction:

(a) The date on which the product or commodity was weighed, measured or counted.

(b) The name of the nearest city or town where the weighing or measuring occurred and the location of the scale.

(c) The complete signature of the weighmaster who determined the weight or measure of the commodity. In an automatic weighing system the signature may be defined by the director by regulation.

(d) The kind of product or article and such other information as may be necessary to identify the product or distinguish it from a like kind.

(e) The number of units of the product or article. The procedure for determining the acceptable source of this information may be prescribed by the director by regulation.

(f) The name of the owner, or his agent, and the consignee.

(g) One of the following:

(1) The gross weight of the product and the vehicle or container;

(2) The tare weight of the unladed vehicle or container;

(3) The gross, tare and net weights when a gross and tare are used in determining the net weight;

(4) The true net weight, measure or count when no gross and tare are involved in determining the net quantity of the product.

(h) The correct identification of the vehicle, or combination of vehicles or other means by which the product was delivered. If an equipment number is used to identify a vehicle or combination of vehicles, there shall be traceability to the registered vehicle license numbers through the weighmaster's records.

(i) The unit of measure, such as pounds, tons, gallons, kilograms or cubic yards, used to determine the quantity.

SEC. 21. Section 12753 of the Business and Professions Code is repealed.

SEC. 22. Section 12754 of the Business and Professions Code is repealed.

SEC. 23. Section 12759 of the Business and Professions Code is amended to read:

12759. Any person is guilty of a misdemeanor who does any of the following acts:

(a) Requests a private weighmaster, or any person employed by him, to weigh, measure, or count any commodity falsely or incorrectly.

(b) Requests a false or incorrect private weighmaster certificate.

(c) Possesses unfilled or unused certificates of weights and measures when he is not a licensed private weighmaster.

(d) Furnishes or gives false information to a weighmaster for use

in the sale of a commodity.

(e) Alters, by adding to, the tare weight of the vehicle or combination of vehicles in any manner, unless he obtains a new and corrected tare weight to be used for certification.

SEC. 24. Section 12762.1 of the Business and Professions Code is repealed.

SEC. 25. Section 12762.1 is added to the Business and Professions Code, to read:

12762.1. A private weighmaster shall not certify to the gross weight of a vehicle whenever all of the following conditions prevail:

(a) The scale is located at the site where the vehicle is loaded;

(b) The vehicle is weighed before entering a highway; and

(c) The vehicle's gross weight exceeds 80,000 pounds, unless a special permit authorizing a greater gross weight for the vehicle has been issued therefor pursuant to Section 35780 of the Vehicle Code.

Failure of a private weighmaster to comply with the provisions of this section shall be punishable as a misdemeanor.

SEC. 26. Section 12772 of the Business and Professions Code is amended to read:

12772. No person shall perform any acts described in this chapter unless licensed as a public weighmaster at large pursuant to this chapter.

A public weighmaster at large shall issue a certificate of weights and measures whenever payment for the commodity or service represented is dependent on a written or printed weight, measure, or count.

All signatures required by this chapter shall be affixed at the time of issuance of the certificate.

SEC. 27. Section 12774 of the Business and Professions Code is amended to read:

12774. A warehouse receipt, of a form approved by the department and issued in accordance with the law, when signed by a licensed public weighmaster at large or deputy public weighmaster at large showing the weight, measure or count of any commodity stored in a warehouse, constitutes the issuance of a certificate of weights and measures under this chapter.

SEC. 28. Section 12784 of the Business and Professions Code is repealed.

SEC. 29. Section 12784 is added to the Business and Professions Code, to read:

12784. A public weighmaster at large shall be responsible for assuring that the public weighmaster at large certificates issued by him or his deputy acting for him, are complete and contain all information required by Section 12785 that is applicable to each transaction.

It shall be unlawful to issue, or cause to be issued, a public weighmaster at large certificate if the certificate is not completed containing all of the information required by Section 12785 for the commodity weighed.

SEC. 30. Section 12785 of the Business and Professions Code is repealed.

SEC. 31. Section 12785 is added to the Business and Professions Code, to read:

12785. In addition to the information required by this section pertaining to the weight, measure or count of the vehicle, commodity or article, there shall appear in an appropriate and conspicuous place on each certificate, and all copies, the following legend:

WEIGHMASTER'S CERTIFICATE OF WEIGHT AND MEASURE

THIS IS TO CERTIFY that the following described merchandise was weighed, measured or counted by a public weighmaster at large, and his signature is a recognized authority of accuracy as prescribed by Chapter 7.7 (commencing with Section 12770) of Division 5 of the California Business and Professions Code, administered by the Division of Measurement Standards of the Department of Food and Agriculture of the State of California.

There shall also appear on each certificate and all copies, immediately above the weighmaster's signature space, the printed name of the principal public weighmaster at large as it appears on the license and bond.

Each certificate shall be numbered consecutively and shall provide for the following information as applicable to the transaction:

(a) The date on which the product or commodity was weighed, measured or counted. If gross and tare weights are determined by different weighmasters, each signature shall be dated.

(b) The name of the nearest city or town where the weighing or measuring occurred and the location of the scale.

(c) The complete signature of the weighmaster who determined each weight or measure.

(d) The kind of product or article and such other information as may be necessary to identify the product or distinguish it from a like kind.

(e) The number of units of the product or article. The procedure for determining the acceptable source of this information may be prescribed by the director by regulation.

(f) The name of the owner, or his agent, and the consignee.

(g) One of the following:

(1) The gross weight of the product and the vehicle or container;

(2) The tare weight of the unladen vehicle or container;

(3) The gross, tare and net weights when the gross and tare are used in determining the net weight;

(4) The true net weight, measure or count when no gross and tare are involved in determining the net quantity of the product.

(h) The tare weights of boxes, bins, pallets or other containers.

(i) The name of the carrier and the license numbers of the vehicle and each unit of a combination of vehicles being weighed.

(j) The unit of measure, such as pounds, tons, gallons, kilograms or cubic yards, used to determine the quantity.

SEC. 32. Section 12786 of the Business and Professions Code is repealed.

SEC. 33. Section 12787 of the Business and Professions Code is repealed.

SEC. 34. Section 12790 of the Business and Professions Code is amended to read:

12790. Certificates of weights and measures issued by public weighmasters at large shall contain the accurate and correct weight, measure, or count of any and all commodities or products weighed, measured or counted.

Any public weighmaster at large who issues a certificate of weights and measures without first weighing, measuring or counting the article or commodity or first causing his deputy to weigh, measure or count the article or commodity, when permitted by regulations, or who issues a certificate of weights and measures giving thereon a false weight or measure or count of the article or commodity weighed or measured or counted by him or his deputy, is guilty of a misdemeanor.

SEC. 35. Section 12791 of the Business and Professions Code is amended to read:

12791. Any erroneous entry affecting the accuracy of the weight, measure or count on a certificate of weights and measures shall be corrected by the issuance of a "correction certificate."

A copy of such "correction certificate" shall be attached to the file copy of the erroneous certificate and all available certificates.

Procedures for "voiding" and disposition of voided certificates shall be by regulation of the director.

SEC. 36. Section 12793 of the Business and Professions Code is amended to read:

12793. Any person is guilty of a misdemeanor who does any of the following acts:

(a) Requests a public weighmaster at large or any person employed by him to weigh, measure or count any commodity falsely or incorrectly.

(b) Requests a false or incorrect state certificate of weights and measures.

(c) Possesses unfilled or unused certificates of weights and measures forms if he is not a public weighmaster. This subdivision does not apply to a person engaged in the business of printing certificate of weights and measures forms nor to his representative.

(d) Furnishes or gives false information to a weighmaster for use in the completion of a certificate of weights and measures.

(e) Presents for payment a certificate made false by the insertion of any weight, measure or count not determined by the issuing weighmaster.

SEC. 37. Section 12797 of the Business and Professions Code is amended to read:

12797. Any weighmaster may, in accordance with regulations prescribed by the director, use a tare weight for a vehicle, container, or pallet, which has been determined by a public weighmaster, or a public weighmaster at large, for certification purposes. The owner or reponsible party shall be legally responsible for maintaining the accuracy of such tare weight of the vehicle, container, or pallet within a variation prescribed by the director.

SEC. 38. Section 12799.4 of the Business and Professions Code is amended to read:

12799.4. In all cases where scrap metal and salvage materials are purchased or sold by dealers, brokers or commission merchants on the basis of weight, such scrap metal and salvage material shall be weighed by a weighmaster licensed under the provisions of this chapter and a certificate of such weight shall be issued to the seller with a duplicate copy of such certificate issued to the buyer, and settlement for such materials shall be made on the weight shown thereon. When the weight indications are readily accessible and clearly readable to both the buyer and seller, at time of weighing, a certificate of weights and measures need be issued only when requested by the buyer or seller.

SEC. 39. Section 12799.25 of the Business and Professions Code is repealed.

SEC. 40. Section 12799.25 is added to the Business and Professions Code, to read:

12799.25. A public weighmaster at large shall not certify to the gross weight of a vehicle whenever all of the following conditions prevail:

(a) The scale is located at the site where the vehicle is loaded;

(b) The vehicle is weighed before entering a highway; and

(c) The vehicle's gross weight exceeds 80,000 pounds, unless a special permit authorizing a greater gross weight for the vehicle has been issued therefor pursuant to Section 35780 of the Vehicle Code.

Failure of a public weighmaster at large to comply with the provisions of this section shall be punishable as a misdemeanor.

CHAPTER 155

An act to amend Section 688 of the Code of Civil Procedure, relating to enforcement of judgments, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1977 Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 688 of the Code of Civil Procedure is amended to read:

688. (a) All goods, chattels, moneys or other property, both real and personal, or any interest therein, of the judgment debtor, not exempt by law, and all property and rights of property levied upon under attachment in the action, are subject to execution.

(b) All property subject to execution may be levied upon or released from levy in like manner as like property may be levied upon or released from attachment, except that tangible personal property in the possession of the judgment debtor shall always be levied upon in the manner provided by subdivision (c). Notwithstanding the provisions of Title 6.5 (commencing with Section 481.010), service on the judgment debtor of a copy of the writ of execution shall be made either by personal delivery or by mail to the judgment debtor at the address furnished by the judgment creditor. To levy upon any property or debt owed to the judgment debtor which is subject to execution but for which a method of levy of attachment is not provided, the levying officer shall serve upon the person in possession of such property or owing such debt, or his agent (1) a copy of the writ of execution and (2) a notice that such property or debt is levied upon in pursuance of such writ.

(c) Tangible personal property in the possession of the judgment debtor shall be levied upon by taking such property into custody. Except as otherwise provided in this subdivision, where a levying officer is directed to take property into custody, the levying officer may do so either by removing the property to a place of safekeeping or by installing a keeper. Personal property that is used as a dwelling, such as a housetrailer, mobilehome, or vessel, shall be levied upon by placing a keeper in charge of the property, at the judgment creditor's expense, for at least two days. At the expiration of such period, the levying officer shall remove the occupants and take exclusive custody of the personal property used as a dwelling, unless other disposition is made by the court or agreed upon by the judgment creditor and the judgment debtor. If the judgment debtor consents, personal property of a going business (other than money or a vehicle required to be registered under the Vehicle Code) shall be levied upon by placing a keeper in charge of such property, at the judgment creditor's expense, for at least two days. During such period, the judgment debtor may continue to operate in the ordinary course of business at the judgment debtor's expense provided that all sales are final and are for cash or the equivalent of cash. For the purpose of this subdivision, payment by check is the equivalent of cash payment. The levying officer is not liable for accepting payment in the form of a cash equivalent. The proceeds from all sales shall be given to the keeper for the purposes of the levy unless otherwise authorized by the judgment creditor. At the conclusion of the period during which the business may continue to operate, the levying officer shall take the property into exclusive custody unless other disposition is made by the court or agreed upon by the judgment

creditor and the judgment debtor.

(d) Until a levy, no property shall be affected by issuance of a writ of execution or its delivery to the levying officer.

(e) No levy shall bind any property for a longer period than one year from the date of the issuance of the execution, except a levy on the interests or claims of heirs, devises, or legatees in or to assets of deceased persons remaining in the hands of executors or administrators thereof prior to distribution and payment. However, an alias execution may be issued on said judgment and levied on any property not exempt from execution.

(f) Notwithstanding subdivision (a), no cause of action nor judgment as such, nor license issued by this state to engage in any business, profession, or activity, shall be subject to levy or sale on execution.

(g) When a check, draft, money order, or other order for the withdrawal of money from a banking corporation or association, the United States, any state, or any public entity within any state, payable to the defendant on demand, comes into the possession of a levying officer under a writ of execution, the provisions of Section 488.520 are applicable.

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

An amendment of Section 688 of the Code of Civil Procedure which became operative on January 1, 1977, has created uncertainty as to whether personal property of a going business levied on pursuant to a writ of execution must, if the judgment debtor consents, be levied upon by placing a keeper in charge of the property levied upon for a limited period of time. Because this uncertainty is likely to lead to a lack of uniformity in the procedures followed in the various counties and may operate to the detriment of judgment debtors by depriving them of a grace period within which to work out some arrangement with the judgment creditor which will avoid seizure of the property of the business, it is necessary that this act take effect immediately.

CHAPTER 156

An act relating to school buildings, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1977 Filed with Secretary of State June 29, 1977]

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

SECTION 1. The governing board of a school district which has leased facilities for a continuation high school for at least five years prior to July 1, 1976, may continue to use such facilities until the completion of replacement facilities or until June 15, 1980, whichever occurs first, and such leased facilities shall not be subject to Article 4 (commencing with Section 15451) or Article 5 (commencing with Section 15501) of Chapter 1 of Division 11 of the Education Code, or Article 3 (commencing with Section 39140) and Article 6 (commencing with Section 39210) of Part 23 of the Education Code as recodified by Chapters 1010 and 1011 of the Statutes of 1976.

This section shall apply only to a school district whose boundaries are coterminous with those of a city and county.

This section shall remain in effect only until June 15, 1980, and as of that date is repealed.

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

In order to permit the use of at least some facilities which are above average in safety and highly functional to continue for a continuation high school until new facilities may be acquired under as yet to be completed master plans, and so avoid harm to presently functioning successful programs and their student participants, it is necessary that this act take effect immediately.

CHAPTER 157

An act to amend Section 25262 of the Government Code, relating to counties.

[Approved by Governor June 28, 1977 Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 25262 of the Government Code is amended to read:

25262. The county budget may contain a provision for an equipment replacement reserve within an operating fund. The amount in this reserve shall be identified with specific pieces of equipment, and may accumulate from year to year, but at no time shall it exceed the estimated replacement cost of items of equipment for which it has been accumulated. The particular amounts in the reserve shall be made available for expenditure in the year that the items are replaced or removed from service without replacement. The estimated replacement cost of such equipment shall be adjusted each year.

CHAPTER 158

An act to add Section 25350.51 to the Government Code, relating to counties.

[Approved by Governor June 28, 1977. Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 25350.51 is added to the Government Code, to read:

25350.51. The board may, by ordinance or resolution, delegate to the purchasing agent or other appropriate county official, subject to such rules and regulations as it may impose, its authority to lease real property for use by the county for a term not to exceed three years and for a rental not to exceed one thousand dollars ($1,000) per month.

The ordinance or resolution shall require that notice of intention to consummate such a lease shall be provided in a manner similar to that stipulated in Section 25350.

CHAPTER 159

An act to amend Sections 25252.6 and 25259.5 of the Government Code, relating to counties.

[Approved by Governor June 28, 1977 Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 25252.6 of the Government Code is amended to read:

25252.6. The board of supervisors may in its discretion establish, or may by resolution authorize the county auditor to establish, a revolving cash trust fund for the purpose of eliminating delays which adversely affect the official operation of offices and departments of the county or of judicial districts therein resulting from regular deposits in and withdrawals from a trust fund established for the use of any such officer or department head. The amount of the revolving cash trust fund shall be determined by the board of supervisors by resolution and shall not exceed the amount of the trust fund. The revolving cash trust fund shall be used by the officer or department head for payment of services, expenses or other charges which are legally payable out of the deposits in the trust fund.

SEC. 2. Section 25259.5 of the Government Code is amended to read:

25259.5. The board of supervisors may, by resolution, authorize and

designate the county auditor to exercise the powers set forth in Sections 25257 through 25259.

CHAPTER 160

An act to amend Section 1636 of the Business and Professions Code, relating to dentistry.

[Approved by Governor June 28, 1977 Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 1636 of the Business and Professions Code is amended to read:

1636. (a) Notwithstanding the provisions of subdivision (c) of Section 1628, a person who has had issued to him a degree of doctor of dental medicine or doctor of dental surgery by a foreign dental school listed by the World Health Organization, or by a foreign dental school approved by the Board of Dental Examiners, shall be eligible for examination as hereinafter provided upon complying with subdivisions (a) and (b) of Section 1628 and furnishing all of the following documentary evidence satisfactory to the board, that:

(1) He has completed in a dental school or schools a resident course of professional instruction in dentistry for the full number of academic years of undergraduate courses required for graduation.

(2) Subsequent thereto, he has had issued to him by such dental school, a dental diploma or a dental degree, as evidence of the completion of the course of dental instruction required for graduation.

(b) Examination by the board of a foreign-trained dental applicant shall be a progressive examination given in the following sequence:

(1) Examination in writing which shall be comprehensive and sufficiently thorough to test the knowledge, skill and competence of the applicant to practice dentistry, and both questions and answers shall be written in the English language.

Such written examination may be the National Board of Dental Examiners' examination. A foreign-trained applicant who passes the written examination shall be permanently exempt from retaking such examination.

Those applicants who have passed the California written examination shall be permanently exempt from retaking any written examination, except any examination required for continuing education purposes.

(2) Demonstration of applicant's skill in restorative technique. An applicant must obtain a minimum grade of 75 percent in each subsection of the restorative technique examination to be deemed to have passed such examination; provided, however, that an applicant

who obtains a grade of 85 percent in any subsection of such examination shall be exempt from retaking such subsection for two years following the date of the examination in which a grade of 85 percent was obtained. Every applicant who passes the entire restorative technique examination shall be permanently exempt from retaking such examination.

(c) An applicant who has successfully completed the written examination and the restorative technique examination shall be eligible to take and shall pass the examinations in diagnosis-treatment planning, prosthetic dentistry and operative dentistry in the identical manner in which such examinations are taken by and administered to other dental applicants. Exemptions in such examinations shall be applied to foreign-trained applicants in the same manner as they are applied to other dental applicants.

(d) All exemptions previously obtained by foreign-trained applicants which have been recognized by the board shall remain in effect for two years following the effective date of the amendments to this section made at the 1975 portion of the 1975–76 session of the Legislature.

CHAPTER 161

An act to add and repeal Article 3.6 (commencing with Section 177) to Chapter 1 of Division 1 of Title 1 of the Government Code, relating to the Interstate Civil Defense and Disaster Compact, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 29, 1977. Filed with Secretary of State June 29, 1977.]

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

SECTION 1. Article 3.6 (commencing with Section 177) is added to Chapter 1 of Division 1 of Title 1 of the Government Code, to read:

Article 3.6. Interstate Civil Defense and Disaster Compact

177. The Interstate Civil Defense and Disaster Compact as set forth in Section 178 executed between the State of California, through its then Governor, Earl Warren, on December 10, 1951, and other states which are parties to the compact, is hereby ratified and approved.

178. The provisions of the Interstate Civil Defense and Disaster Compact between the State of California and other states which are parties to the compact referred to in Section 177 are as follows:

The State of California, through its Governor, duly authorized, solemnly agrees with any other state or territory of the United States

which is or may become a party to this compact, as follows:

Article 1. The purpose of this compact is to provide mutual aid among the states in meeting any emergency or disaster from enemy attack or other cause (natural or otherwise) including sabotage and subversive acts and direct attacks by bombs, shellfire, and atomic, radiological, chemical, bacteriological means, and other weapons. The prompt, full and effective utilization of the resources of the respective states, including such resources as may be available from the United States Government or any other source, are essential to the safety, care and welfare of the people thereof in the event of enemy action or other emergency, and any other resources, including personnel, equipment or supplies, shall be incorporated into a plan or plans of mutual aid to be developed among the civil defense agencies or similar bodies of the states that are parties hereto. The directors of civil defense of all party states shall constitute a committee to formulate plans and take all necessary steps for the implementation of this compact.

Article 2. It shall be the duty of each party state to formulate civil defense plans and programs for application within such state. There shall be frequent consultation between the representatives of the states and with the United States Government and the free exchange of information and plans, including inventories of any materials and equipment available for civil defense. In carrying out such civil defense plans and programs the party states shall so far as possible provide and follow uniform standards, practices and rules and regulations including:

(a) Insignia, arm bands and any other distinctive articles to designate and distinguish the different civil defense services;

(b) Blackouts and practice blackouts, air raid drills, mobilization of civil defense forces and other tests and exercises;

(c) Warnings and signals for drills or attacks and the mechanical devices to be used in connection therewith;

(d) The effective screening or extinguishing of all lights and lighting devices and appliances;

(e) Shutting off water mains, gas mains, electric power connections and the suspension of all other utility services;

(f) All materials or equipment used or to be used for civil defense purposes in order to assure that such materials and equipment will be easily and freely interchangeable when used in or by any other party state;

(g) The conduct of civilians and the movement and cessation of movement of pedestrians and vehicular traffic, prior, during, and subsequent to drills or attacks;

(h) The safety of public meetings or gatherings; and

(i) Mobile support units.

Article 3. Any party state requested to render mutual aid shall take such action as is necessary to provide and make available the resources covered by this compact in accordance with the terms hereof; provided that it is understood that the state rendering aid

may withhold resources to the extent necessary to provide reasonable protection for such state. Each party state shall extend to the civil defense forces of any other party state, while operating within its state limits under the terms and conditions of this compact, the same powers (except that of arrest unless specifically authorized by the receiving state), duties, rights, privileges and immunities as if they were performing their duties in the state in which normally employed or rendering services. Civil defense forces will continue under the command and control of their regular leaders but the organizational units will come under the operational control of the civil defense authorities of the state receiving assistance.

Article 4. Whenever any person holds a license, certificate or other permit issued by any state evidencing the meeting of qualifications for professional, mechanical or other skills, such person may render aid involving such skill in any party state to meet an emergency or disaster and such state shall give due recognition to such license, certificate or other permit as if issued in the state in which aid is rendered.

Article 5. No party state or its officers or employees rendering aid in another state pursuant to this compact shall be liable on account of any act or omission in good faith on the part of such forces while so engaged, or on account of the maintenance or use of any equipment or supplies in connection therewith.

Article 6. Inasmuch as it is probable that the pattern and detail of the machinery for mutual aid among two or more states may differ from that appropriate among other states party hereto, this instrument contains elements of a broad base common to all states, and nothing herein contained shall preclude any state from entering into supplementary agreements with another state or states. Such supplementary agreements may comprehend, but shall not be limited to, provisions for evacuation and reception of injured and other persons, and the exchange of medical, fire, police, public utility, reconnaissance, welfare, transportation and communications personnel, equipment and supplies.

Article 7. Each party state shall provide for the payment of compensation and death benefits to injured members of the civil defense forces of that state and the representatives of deceased members of such forces in case such members sustain injuries or are killed while rendering aid pursuant to this compact, in the same manner and on the same terms as if the injury or death were sustained within such state.

Article 8. Any party state rendering aid in another state pursuant to this compact shall be reimbursed by the party state receiving such aid for any loss or damage to, or expense incurred in the operation of, any equipment answering a request for aid, and for the cost incurred in connection with such requests; provided, that any aiding party state may assume in whole or in part such loss, damage, expense, or other cost, or may loan such equipment or donate such services to the receiving party state without charge or

cost; and provided further that any two or more party states may enter into supplementary agreements establishing a different allocation of costs as among those states. The United States Government may relieve the party state receiving aid from any liability and reimburse the party state supplying civil defense forces for the compensation paid to and the transportation, subsistence and maintenance expenses of such forces during the time of the rendition of such aid or assistance outside the state and may also pay fair and reasonable compensation for the use or utilization of the supplies, materials, equipment or facilities so utilized or consumed.

Article 9. Plans for the orderly evacuation and reception of the civilian population as the result of an emergency or disaster shall be worked out from time to time between representatives of the party states and the various local civil defense areas thereof. Such plans shall include the manner of transporting such evacuees, the number of evacuees to be received in different areas, the manner in which food, clothing, housing, and medical care will be provided, the registration of the evacuees, the providing of facilities for the notification of relatives or friends, and the forwarding of such evacuees to other areas or the bringing in of additional materials, supplies, and all other relevant factors. Such plans shall provide that the party state receiving evacuees shall be reimbursed generally for the out-of-pocket expenses incurred in receiving and caring for such evacuees, and for expenditures for transportation, food, clothing, medicines and medical care and like items. Such expenditures shall be reimbursed by the party state of which the evacuees are residents, or by the United States Government under plans approved by it. After the termination of the emergency or disaster the party state of which the evacuees are resident shall assume the responsibility for the ultimate support or repatriation of such evacuees.

Article 10. This compact shall be available to any state, territory or possession of the United States, and the District of Columbia. The term "state" may also include any neighboring foreign country or province or state thereof.

Article 11. The committee established pursuant to Article 1 of this compact may request the Civil Defense Agency of the United States Government to act as an informational and coordinating body under this compact, and representatives of such agency of the United States Government may attend meetings of such committee.

Article 12. This compact shall become operative immediately upon its ratification by any state as between it and any other state or states so ratifying and shall be subject to approval by Congress unless prior congressional approval has been given. Duly authenticated copies of this compact and of such supplementary agreements as may be entered into shall, at the time of their approval, be deposited with each of the party states and with the Civil Defense Agency and other appropriate agencies of the United States Government.

Article 13. This compact shall continue in force and remain

binding on each party state until the Legislature or the Governor of such party state takes action to withdraw therefrom. Such action shall not be effective until 30 days after notice thereof has been sent by the Governor of the party state desiring to withdraw to the Governors of all other party states.

Article 14. This compact shall be construed to effectuate the purposes stated in Article 1 hereof. If any provision of this compact is declared unconstitutional, or the applicability thereof to any person or circumstance is held invalid, the constitutionality of the remainder of this compact and the applicability thereof to other persons and circumstances shall not be affected thereby.

Done at the State Capitol in Sacramento, this 10th day of December in the year of our Lord one thousand nine hundred and fifty one.

IN WITNESS WHEREOF I hereby affix my signature, pursuant to the authority vested in me by law as Governor of the State of California.

Signed Earl Warren, Governor

178.5. In addition to any other authority conferred upon him, the Governor is authorized and may execute for, on behalf of, and in the name of the State of California, the provisions of Article XV to the Interstate Civil Defense and Disaster Compact, which provisions provide as follows:

Article XV. (a) This article shall be in effect only as among those states which have enacted it into law or in which the governors have adopted it pursuant to constitutional or statutory authority sufficient to give it the force of law as part of this compact. Nothing contained in this article or in any supplementary agreement made in implementation thereof shall be construed to abridge, impair or supersede any other provision of this compact or any obligation undertaken by a state pursuant thereto, except that if its terms so provide a supplementary agreement in implementation of this article may modify, expand or add to any such obligation as among the parties to the supplementary agreement.

(b) In addition to the occurrences, circumstances and subject matters to which preceding articles of this compact make it applicable, this compact and the authorizations, entitlements and procedures thereof shall apply to:

1. Searches for and rescue of persons who are lost, marooned, or otherwise in danger.

2. Action useful in coping with disasters arising from any cause or designed to increase the capability to cope with any such disasters.

3. Incidents, or the imminence thereof, which endanger the health or safety of the public and which require the use of special equipment, trained personnel or personnel in larger numbers than are locally available in order to reduce, counteract or remove the danger.

4. The giving and receiving of aid by subdivisions of party states.

5. Exercises, drills or other training or practice activities designed

to aid personnel to prepare for, cope with or prevent any disaster or other emergency to which this compact applies.

(c) Except as expressly limited by this compact or a supplementary agreement in force pursuant thereto, any aid authorized by this compact or such supplementary agreement may be furnished by any agency of a party state, a subdivision of such state, or by a joint agency providing such aid shall be entitled to reimbursement therefor to the same extent and in the same manner as a state. The personnel of such a joint agency, when rendering aid pursuant to this compact shall have the same rights, authority and immunity as personnel of party states.

(d) Nothing in this article shall be construed to exclude from the coverage of Articles 1-XIV of this compact any matter which, in the absence of this article, could reasonably be construed to be covered thereby.

(e) Nothing in subsection (a) shall be construed to limit previous or future entry into the Interstate Civil Defense and Disaster Compact of this state with other states.

SEC. 2. This act shall have no further force and effect after December 30, 1978, and on such date is repealed.

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

California and the other western states of Nevada, Oregon, Washington, and Idaho are in the midst of a second year of severe drought, the worst since 1923 and 1924. Each state is faced with a potential for the occurrence of disastrous forest fires that may be beyond their individual abilities and resources to prevent or control, and the officials of such states believe it desirable and mutually beneficial to be able to legally render and receive assistance from one another should such a forest fire disaster occur. Immediate ratification by the California Legislature of the Interstate Civil Defense and Disaster Compact of 1951, which was signed by Governor Warren on December 10, 1951, will make it possible for California to enter into forest fire protection agreements that are supplemental to the compact at the earliest possible time. Therefore, it is necessary that this act take effect immediately.

CHAPTER 162

An act to amend Sections 1191 and 1203 of the Penal Code, relating to probation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 29, 1977 Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 1191 of the Penal Code is amended to read:

1191. In the superior court, after a plea, finding or verdict of guilty, or after a finding or verdict against the defendant on a plea of a former conviction or acquittal, or once in jeopardy, the court must appoint a time for pronouncing judgment, which must be within 28 days after the verdict, finding or plea of guilty, during which time the court shall refer the case to the probation officer for a report if eligible to probation and pursuant to Section 1203 of this code; provided, however, that the court may extend the time not more than 10 days for the purpose of hearing or determining any motion for a new trial, or in arrest of judgment, and may further extend the time until the probation officer's report is received and until any proceedings for granting or denying probation have been disposed of. If in the opinion of the court there is a reasonable ground of believing a defendant insane, the court may extend the time for pronouncing sentence until the question of insanity has been heard and determined, as provided in this code. If the court orders the defendant placed in a diagnostic facility pursuant to Section 1203.03, the time otherwise allowed by this section for pronouncing judgment is extended by a period equal to (1) the number of days which elapse between the date of such order and the date on which notice is received from the Director of Corrections advising whether or not the Department of Corrections will receive the defendant in such facility, and (2) if the director notifies the court that it will receive the defendant, the time which elapses until his return to the court from the facility.

SEC. 2. Section 1203 of the Penal Code is amended to read:

1203. (a) In every case in which a person is convicted of a felony and is eligible for probation, before judgment is pronounced, the court shall immediately refer the matter to the probation officer to investigate and report to the court, at a specified time, upon the circumstances surrounding the crime and the prior history and record of the person, which may be considered either in aggravation or mitigation of the punishment. The probation officer shall immediately investigate and make a written report to the court of his findings and recommendations, including his recommendations as to the granting or denying of probation and the conditions of probation, if granted. The report shall be made available to the court and the prosecuting and defense attorneys at least nine days prior to the time fixed by the court for the hearing and determination of the report, and shall be filed with the clerk of the court as a record in the case at the time of the hearing. The time within which the report shall be made available and filed may be waived by written stipulation of the prosecuting and defense attorney which is filed with the court or an oral stipulation in open court which is made and entered upon the minutes of the court. At a time fixed by the court, the court shall hear and determine the application, if one has been

made, or, in any case, the suitability of probation in the particular case. At the hearing, the court shall consider any report of the probation officer and shall make a statement that it has considered such report which shall be filed with the clerk of the court as a record in the case. If the court determines that there are circumstances in mitigation of the punishment prescribed by law or that the ends of justice would be subserved by granting probation to the person, it may place him on probation. If probation is denied, the clerk of the court shall immediately send a copy of the report to the Department of Corrections at the prison or other institution to which the person is delivered.

(b) If a defendant is not represented by an attorney, the court shall order the probation officer who makes the probation report to discuss its contents with the defendant.

(c) In every case in which a person is convicted of a misdemeanor, the court may either refer the matter to the probation officer for an investigation and a report or summarily grant or deny probation. If such a case is not referred to the probation officer, in sentencing the person, the court may consider any information concerning him which could have been included in a probation report. The court shall inform the person of the information to be considered and permit him to answer or controvert it. For this purpose, upon the request of the person, the court shall grant a continuance before the judgment is pronounced.

(d) Except in unusual cases where the interests of justice would best be served if the person is granted probation, probation shall not be granted to any of the following persons:

(1) Unless he had a lawful right to carry a deadly weapon, other than a firearm, at the time of the perpetration of the crime or his arrest, any person who has been convicted of arson, robbery, burglary, burglary with explosives, rape with force or violence, murder, assault with intent to commit murder, attempt to commit murder, trainwrecking, kidnapping, escape from the state prison, or a conspiracy to commit one or more of such crimes and was armed with such weapon at either of such times.

(2) Any person who used or attempted to use a deadly weapon, other than a firearm, upon a human being in connection with the perpetration of the crime of which he has been convicted.

(3) Any person who willfully inflicted great bodily injury or torture in the perpetration of the crime of which he has been convicted.

(4) Any person who has been previously convicted twice in this state of a felony or in any other place of a public offense which, if committed in this state, would have been punishable as a felony.

(5) Unless he has never been previously convicted once in this state of a felony or in any other place of a public offense which, if committed in this state, would have been punishable as a felony, any person who has been convicted of burglary with explosives, rape with force or violence, murder, attempt to commit murder, assault

with intent to commit murder, trainwrecking, extortion, kidnapping, escape from the state prison, a violation of Section 286, 288, or 288a, or a conspiracy to commit one or more of such crimes.

(6) Any person who has been previously convicted once in this state of a felony or in any other place of a public offense which, if committed in this state, would have been punishable as a felony, if he committed any of the following acts:

(i) Unless he had a lawful right to carry a deadly weapon at the time of the perpetration of such previous crime or his arrest for such previous crime, he was armed with such weapon at either of such times.

(ii) He used or attempted to use a deadly weapon upon a human being in connection with the perpetration of such previous crime.

(iii) He willfully inflicted great bodily injury or torture in the perpetration of such previous crime.

(7) Any public official or peace officer of this state or any city, county, or other political subdivision who, in the discharge of the duties of his public office or employment, accepted or gave or offered to accept or give any bribe, embezzled public money, or was guilty of extortion.

(e) When probation is granted in a case which comes within the provisions of subdivision (d), the court shall specify the circumstances indicating that the interests of justice would best be served by such a disposition.

(f) If a person is not eligible for probation, the judge may, in his discretion, refer the matter to the probation officer for an investigation of the facts relevant to the sentencing of the person. Upon such referral, the probation officer shall immediately investigate the circumstances surrounding the crime and the prior record and history of the person and make a written report to the court of his findings.

(g) No probationer shall be released to enter another state unless his case has been referred to the Administrator, Interstate Probation and Parole Compacts, pursuant to the Uniform Act for Out-of-State Probationer or Parolee Supervision (Article 3 (commencing with Section 11175) of Chapter 2 of Title 1 of Part 4).

SEC. 3. This act shall become operative on July 1, 1977, or its effective date, whichever is later

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

The provisions of this act are intended to complement those of Senate Bill No. 42 of the 1975–76 Regular Session of the Legislature (Chapter 1139 of the Statutes of 1976) which will take effect on July 1, 1977. In order that the provisions of this act may become operative by that date, it is necessary that this act take effect immediately.

CHAPTER 163

An act to amend Section 653f of, and to add Section 456 to, the Penal Code, relating to crimes.

[Approved by Governor June 29, 1977 Filed with Secretary of State June 29, 1977.]

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

SECTION 1. Section 456 is added to the Penal Code, to read:

456. Upon conviction for any felony violation of this chapter, the court may impose a fine not to exceed fifty thousand dollars ($50,000) unless a greater amount is provided by law.

SEC. 2. Section 653f of the Penal Code is amended to read:

653f. Every person who solicits another to offer or accept or join in the offer or acceptance of a bribe, or to commit or join in the commission of murder, robbery, burglary, grand theft, receiving stolen property, extortion, rape by force and violence, perjury, subornation of perjury, forgery, kidnapping, arson or assault with a deadly weapon or instrument or by means of force likely to produce great bodily injury, is punishable by imprisonment in the county jail not more than one year or in the state prison, or by fine of not more than five thousand dollars ($5,000), or the amount which could have been assessed for commission of the offense itself, whichever is greater, or by both such fine and imprisonment. Such offense must be proved by the testimony of two witnesses, or of one witness and corroborating circumstances.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes relating to crimes and infractions may cause both increased and decreased costs to local government entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 164

An act to amend Section 6316 of, to amend and renumber Section 6325.1 as added by Chapter 1274 of the Statutes of 1975 of, to add Sections 6316.1 and 6316.2 to, and to repeal Section 6316.2 of, the Welfare and Institutions Code, relating to judicial commitments, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 29, 1977 Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 6316 of the Welfare and Institutions Code is amended to read:

6316. If, after examination and hearing, the court finds that the person is a mentally disordered sex offender and that the person could benefit by treatment in a state hospital, or other mental health facility the court in its discretion has the alternative to return the person to the criminal court for further disposition, or may make an order committing the person to the department for placement in a state hospital, or may commit the person to the county mental health director for placement in an appropriate public or private mental health facility, approved by such director, and a copy of such commitment shall be personally served upon said person within five days after the making of such order. The court shall transmit a copy of its order to the county mental health director or his designee. Prior to making such order, the court shall order the county mental health director or his designee to evaluate the defendant and to submit to the court within 15 judicial days of such order his written recommendation as to whether the defendant should be committed to a state hospital or to another mental health facility.

If after examination and hearing, the court finds that the person is a mentally disordered sex offender but will not benefit by care or treatment in a state hospital or other facility the court shall then cause the person to be returned to the court in which the criminal charge was tried to await further action with reference to such criminal charge. Such court shall resume the proceedings and shall impose sentence or make such other suitable disposition of the case as the court deems necessary.

SEC. 2. Section 6316.1 is added to the Welfare and Institutions Code, to read:

6316.1. (a) In the case of any person found to be a mentally disordered sex offender who committed a felony on or after July 1, 1977, the court shall state in the commitment order the maximum term of commitment, and the person may not be kept in actual custody longer than the maximum term of commitment, except as provided in Section 6316.2. For the purposes of this section, "maximum term of commitment" shall mean the longest term of imprisonment which could have been imposed for the offense or offenses of which the defendant was convicted, including the upper term of the base offense and any additional terms for enhancements and consecutive sentences which could have been imposed less any applicable credits as defined by Section 2900.5 of the Penal Code and disregarding any credits which could have been earned under Section 2930 to 2932, inclusive, of the Penal Code.

(b) In the case of a person found to be a mentally disordered sex offender who committed a felony prior to July 1, 1977, who could have been sentenced under Section 1168 or 1170 of the Penal Code if the offense were committed after July 1, 1977, the Community

Release Board shall determine the maximum term of commitment which could have been imposed under subdivision (a), and the person may not be kept in actual custody longer than the maximum term of commitment, except as provided in Section 6316.2.

In fixing a term under this section, the board shall utilize the upper term of imprisonment which could have been imposed for the offense or offenses of which the defendant was convicted, increased by any additional terms which could have been imposed based on matters which were found to be true in the committing court. However, if at least two of the members of the board after reviewing the person's file determine that a longer term should be imposed for the reasons specified in Section 1170.2 of the Penal Code, a longer term may be imposed following the procedures and guidelines set forth in Section 1170.2 of the Penal Code, except that any hearings deemed necessary by the board shall be held before April 1, 1978. Within 90 days of July 1, 1977, or of the date the person is received by the State Department of Health, whichever is later, the Community Release Board shall provide each person committed pursuant to Section 6316 with the determination of his maximum term of commitment or shall notify such person that he will be scheduled for a hearing to determine his term.

Within 20 days following the determination of the maximum term of commitment the board shall provide the person committed, the prosecuting attorney, the committing court, and the State Department of Health with a written statement setting forth the maximum term of commitment, the calculations, the statements, the recommendations, and any other materials considered in determining the maximum term.

(c) In the case of a person found to be a mentally disordered sex offender who committed a misdemeanor, whether before or after July 1, 1977, the maximum term of commitment shall be the longest term of county jail confinement which could have been imposed for the offense or offenses of which the defendant was convicted, and the person may not be kept in actual custody longer than this maximum term. The provisions of this subdivision shall be applied retroactively.

(d) Nothing in this section limits the power of the State Department of Health or of the committing court to release the person, conditionally or otherwise, for any period of time allowed by any other provision of law.

SEC. 3. Section 6316.2 is added to the Welfare and Institutions Code, to read:

6316.2. (a) A person may be committed beyond the term prescribed by Section 6316.1 only under the procedure set forth in this section and only if such person meets all of the following:

(1) The "sex offense" as defined in subdivision (a) of Section 6302 of which the person has been convicted is a felony, whether committed before or after July 1, 1977, or is a misdemeanor which was committed before July 1, 1977.

(2) Suffers from a mental disorder, and as a result of such mental disorder, is predisposed to the commission of sexual offenses to such a degree that he presents a serious threat of substantial harm to the health and safety of others.

(b) If during a commitment under this part, the Director of Health has good cause to believe that a patient is a person described in subdivision (a), the director may submit such supporting evaluations and case file to the prosecuting attorney who may file a petition for extended commitment in the superior court which issued the original commitment. Such petition shall be filed no later than 90 days before the expiration of the original commitment. Such petition shall state the reasons for the extended commitment, with accompanying affidavits specifying the factual basis for believing that the person meets each of the requirements set forth in subdivision (a).

(c) At the time of filing a petition, the court shall advise the patient named in the petition of his right to be represented by an attorney and of his right to a jury trial. The rules of discovery in criminal cases shall apply.

(d) The court shall conduct a hearing on the petition for extended commitment. The trial shall be by jury unless waived by both the patient and the prosecuting attorney. The trial shall commence no later than 30 days prior to the time the patient would otherwise have been released by the State Department of Health.

(e) The patient shall be entitled to the rights guaranteed under the Federal and State Constitutions for criminal proceedings. All proceedings shall be in accordance with applicable constitutional guarantees. Pursuant to Sections 4700, 4700.1, and 4700.2 of the Penal Code, the state shall bear all expenses of transportation, care and custody of the patient and all trial and related costs, and shall be represented by the Attorney General or the district attorney with the consent of the Attorney General. If the patient is indigent, the State Public Defender shall be appointed. The State Public Defender may provide for representation of the patient in any manner authorized by Section 15402 of the Government Code. Appointment of necessary psychologists or psychiatrists shall be made in accordance with this article and Penal Code and Evidence Code provisions applicable to criminal defendants who have entered pleas of not guilty by reason of insanity or asserted diminished capacity defenses

(f) If the court or jury finds that the patient is a person described in subdivision (a), the court may order the patient committed to the State Department of Health in a treatment facility A commitment or a recommitment under Section 6316.1 shall be for a period of one year from the date of termination of the previous commitment.

(g) A person committed under this section to the State Department of Health shall be eligible for outpatient release as provided in this article.

(h) Prior to termination of a commitment under this section, a

petition for recommitment may be filed to determine whether the person remains a person described in subdivision (a). Such recommitment proceeding shall be conducted in accordance with the provisions of this article.

(i) Any commitment to the State Department of Health under this article places an affirmative obligation on the department to provide treatment for the underlying causes of the person's mental disorder.

This section shall remain in effect only until January 1, 1979, and on such date is repealed.

SEC. 4. Section 6325.1 of the Welfare and Institutions Code, as added by Chapter 1274 of the Statutes of 1975, is amended and renumbered to read:

6325.2. If a mentally disordered sex offender is committed or transferred to a state hospital pursuant to this article, the committing court may, upon receiving the written recommendation of the superintendent of the state hospital and the county mental health director that the person be transferred to a public or private mental health facility approved by the county mental health director, order the person transferred to such facility. If the person is committed or transferred to a public or private mental health facility approved by the county mental health director, the committing court may, upon receiving the written recommendation of the county mental health director, transfer the person to a state hospital.

The defendant or prosecuting attorney, if he chooses to contest either kind of order of transfer, may petition the court for a hearing, which shall be held if the court determines that sufficient grounds exist. At such hearing, the prosecuting attorney or the defendant may present evidence bearing on the order of transfer. The court shall use the same standards used in conducting probation revocation hearings pursuant to Section 1203.2 of the Penal Code.

Prior to making an order for transfer under this section, the court shall notify the person, the prosecuting attorney attorney of record for the person, and the county mental health director or his designee.

(a) If the superintendent of the state hospital or other facility to which the person is committed or transferred as a mentally disordered sex offender is of the opinion that a person has improved to such an extent that he is no longer a danger to the health and safety of others and will benefit from outpatient treatment, the superintendent may file with the committing court an announcement of intent to place the person on outpatient treatment. In those cases where the person has been found guilty of murder, assault with intent to commit murder, a violation of Section 207 or 209 of the Penal Code in which the victim suffers intentionally inflicted great bodily injury, a violation of subdivision 2 or 3 of Section 261 of the Penal Code, a violation of Section 220 of the Penal Code in which the victim suffers great bodily injury, or if the person has been found guilty of a felony involving death, great bodily injury, or an act which poses a serious threat of bodily harm to another person,

the superintendent of the state hosptial or other facility to which the person is committed shall not file a petition for outpatient treatment until the person has been confined in the facility for a minimum of 90 days. Within 15 days after receipt of the announcement of intent, after notice to the prosecuting attorney and to the attorney of record for the person, the court shall, after a hearing in open court, approve or disapprove the announcement of intent. If the approval of the court is given, the person shall be treated as an outpatient. Prior to filing such an announcement of intent the superintendent shall obtain the agreement of the county mental health director, the person in charge of a mental health facility and the person who has been recommended for outpatient treatment that the person will receive and submit to outpatient treatment and that the person in charge of the facility will designate a person to be the outpatient supervisor of the person. At 90-day intervals following the beginning of outpatient treatment, the outpatient supervisor shall make a report in writing to the court, the state hospital or other facility to which the person was committed, the county mental health director or his designee, and to the person in charge of the mental health facility setting forth the status and progress of the person. The maximum period of such treatment, shall not exceed one year. The court may at the end of such maximum period renew its approval for additional outpatient treatment.

(b) When the outpatient supervisor is of the opinion that the person is no longer a mentally disordered sex offender, the supervisor shall communicate such opinion to the person in charge of the facility, and if the person in charge of the facility concurs, he shall certify the opinion to the committing court, prosecuting attorney, attorney of record for the person, and the county mental health director or his designee. The court shall calendar the case for further proceedings pursuant to Section 6325.

(c) If at any time during an outpatient treatment period the outpatient supervisor is of the opinion that the person requires extended inpatient treatment or refuses to accept further outpatient treatment, he shall communicate such opinion or refusal to the person in charge of the facility. If the person in charge of the facility concurs, the person shall be returned to the state hospital or other facility to which he was committed or transferred pursuant to Section 6316. The person in charge of the facility shall notify the county mental health director or his designee of the person's return. Such return shall be reviewable by a writ of habeas corpus only. If a verified petition for a writ alleges on its face facts sufficient to justify relief, an order to show cause shall issue.

(d) If at any time during an outpatient treatment period the prosecuting attorney is of the opinion that the person is a danger to the health and safety of others while on outpatient treatment, he may petition the court for a hearing to determine whether the person shall be continued on outpatient treatment. Upon receipt of the petition, the court shall calendar the case for further proceedings and

the clerk shall notify the person, outpatient supervisor, attorney of record for the person, and the county mental health director or his designee of the calendared date. Upon failure of the person to appear as noticed, if a proper affidavit of service and advisement has been filed with the court, the court may issue a body attachment for such person. If, after a hearing in open court conducted with the same standards used in probation revocation hearings pursuant to Section 1203.2 of the Penal Code, the judge of the committing court determines that the person is a danger to the health and safety of others, he shall order the person returned to the state hospital or other facility to which he was committed or transferred pursuant to Section 6316.

The court shall transmit a copy of its order to the county mental health director or his designee. Such order shall be reviewable by a writ of habeas corpus only.

(e) An outpatient who requires inpatient treatment pending determination of his outpatient status pursuant to subdivisions (c) and (d) shall receive such treatment subject to the provisions of Sections 5150, 5200, 5250, and 5300 of the Welfare and Institutions Code.

The person in charge of the facility in which an outpatient receives inpatient treatment shall notify the county mental health director or his designee of inpatient treatment provided to an outpatient under this section.

SEC. 5. The State Department of Health shall report to the Legislature by January 1, 1978, and again by June 30, 1978, on the utilization of the provisions of this act, including the number of petitions filed, sustained, and not sustained pursuant to Section 6316.2 of the Welfare and Institutions Code, and a summary of the evidence introduced at the trials for extended commitment. The reports shall also include a summary of the lengths of stay, both inpatient and outpatient, for persons committed as mentally disordered sex offenders.

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

This act is designed to provide additional safeguards against the premature release of dangerous persons to operate in conjunction with other provisions of law which become operative on July 1, 1977, and should therefore take effect as soon as possible.

SEC. 7. This act shall become operative on July 1, 1977.

CHAPTER 165

An act to amend Section 25540 of the Corporations Code, and to amend Sections 11555 and 11556 of, and to repeal Section 11563.5 of, the Government Code, and to amend Sections 1390 and 11383 of the Health and Safety Code, and to amend Section 1672 of the Military and Veterans Code, and to amend Sections 148.1, 213, 480, 594, 597.5, 653h, 654, 664, 667.5, 969c, 969d, 1168, 1170, 1170.2, 1170.4, 1191, 1203, 1203.03, 1203.06, 1213.5, 1389.7, 2081.5, 2400, 2401.5, 2402, 2403, 2651, 2684, 2772, 2790, 2911, 2930, 2931, 2932, 3000, 3040, 3041, 3041.5, 3041.7, 3042, 3046, 3052, 3053, 3053.5, 3057, 3059, 3060, 3062, 3084, 4532, 4801, 4802, 4803, 4810, 4812, 4813, 4814, 4850, 4851, 4852.14, 4852.18, 5000, 5001, 5002, 5003.5, 5011, 5055, 5068, 5076.1, 5076.2, 5082, 5089, 6053, 6081, 11193, 11194, 12022, 12022.5, 12022.6, and 12022.7 of, to amend and renumber Section 1170.1a of, to add Article 3 (commencing with Section 2947) to Chapter 7 of Title 1 of Part 3 of, to repeal Sections 1170.1, 1170.1b, 1389.3, 2399, 3043, 3044, 3050, 3054, and 3055 of, and to repeal Article 2 (commencing with Section 2920) of Chapter 7 of Title 1 of Part 3, Article 3 (commencing with Section 2940) of Chapter 7 of Title 1 of Part 3, Article 2 (commencing with Section 3020) of Chapter 8 of Title 1 of Part 3, and Article 4 (commencing with Section 3100) of Chapter 8 of Title 1 of Part 3 of, the Penal Code, and to amend Section 11483 of the Welfare and Institutions Code, relating to imprisonment, making an appropriation therefor, and declaring the urgency thereof to take effect immediately.

[Approved by Governor June 29, 1977 Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 25540 of the Corporations Code is amended to read:

25540. Any person who willfully violates any provision of this law, or who willfully violates any rule or order under this law, shall upon conviction be fined not more than ten thousand dollars ($10,000) or imprisoned in the state prison, or in a county jail for not more than one year, or be punished by both such fine and imprisonment; but no person may be imprisoned for the violation of any rule or order if he proves that he had no knowledge of the rule or order.

SEC. 1.5. Section 11555 of the Government Code is amended to read:

11555. An annual salary of twenty-six thousand two hundred fifty dollars ($26,250) shall be paid to the following:

(a) Chairman of the Community Release Board

(b) Chairman of the Board of Equalization

(c) Chairman of the State Water Resources Control Board

(d) Chairman of the Youth Authority Board.

SEC. 2. Section 11556 of the Government Code is amended to read:

11556. An annual salary of twenty-five thousand dollars ($25,000) shall be paid to each of the following:

(a) Director of Navigation and Ocean Development

(b) Director, Office of Emergency Services

(c) Members of the Community Release Board

(d) Members of the Board of Equalization

(e) Members of the State Water Resources Control Board

(f) Members of the Youth Authority Board

(g) State Fire Marshal.

SEC. 3. Section 11563.5 of the Government Code is repealed.

SEC. 3.5. Section 1390 of the Health and Safety Code is amended to read:

1390. Any person who willfully violates any provision of this chapter or of any rule or order thereunder shall upon conviction be fined not more than ten thousand dollars ($10,000) or imprisoned in the state prison, or in a county jail for not more than one year, or be punished by both such fine and imprisonment, but no person may be imprisoned for the violation of any rule or order if it is proven that such person had no knowledge of the rule or order.

SEC. 3.6. Section 11383 of the Health and Safety Code is amended to read:

11383. (a) Any person who possesses both methylamine and phenyl-2-propanone (phenylacetone) at the same time with the intent to manufacture methamphetamine is guilty of a felony and shall be punished by imprisonment in the state prison.

(b) Any person who possesses both piperidine and cyclohexanone at the same time, or a combination product thereof, with intent to manufacture phencyclidine (PCP) is guilty of a felony and shall be punished by imprisonment in the state prison.

(c) For purposes of this section, possession of immediate precursors sufficient for the manufacture of methylamine, phenyl-2-propanone, piperidine, or cyclohexanone shall be deemed to be possession of such a derivative substance. Additionally, possession of any compound or mixture containing piperidine or cyclohexanone shall be deemed to be possession of such substance.

(d) The provisions of subdivisions (a), (b), and (c) shall not apply to drug manufacturers licensed by this state or persons authorized by regulation of the Board of Pharmacy to possess such combination of substances.

SEC. 3.7. Section 1672 of the Military and Veterans Code is amended to read:

1672. Any person who is guilty of violating Section 1670 or 1671 is punishable as follows:

(a) If his act or failure to act causes the death of any person, he is punishable by death or imprisonment in the state prison for life without the possibility of parole. The penalty shall be determined pursuant to the provisions of Sections 190.3 and 190.4 of the Penal Code. If the act or failure to act causes great bodily injury to any

person, a person violating this section is punishable by life imprisonment without the possibility of parole.

(b) If his act or failure to act does not cause the death of, or great bodily injury to, any person, he is punishable by imprisonment in the state prison for two, three, or four years, or a fine of not more than ten thousand dollars ($10,000), or both. However, if such person so acts or so fails to act with the intent to hinder, delay, or interfere with the preparation of the United States or of any state for defense or for war, or with the prosecution of war by the United States, or with the rendering of assistance by the United States to any other nation in connection with that nation's defense, such person shall be punishable by imprisonment in the state prison for two, three, or four years, or by a fine of not more than ten thousand dollars ($10,000), or both.

SEC. 3.8. Section 1672 of the Military and Veterans Code is amended to read:

1672. Any person who is guilty of violating Section 1670 or 1671 is punishable as follows:

(a) If his act or failure to act causes the death of any person, he is punishable by imprisonment in the state prison for life.

(b) If his act or failure to act does not cause the death of, or great bodily injury to, any person, he is punishable by imprisonment in the state prison for two, three, or four years, or a fine of not more than ten thousand dollars ($10,000), or both. However, if such person so acts or so fails to act with the intent to hinder, delay, or interfere with the preparation of the United States or of any state for defense or for war, or with the prosecution of war by the United States, or with the rendering of assistance by the United States to any other nation in connection with that nation's defense, such person shall be punishable by imprisonment in the state prison for two, three, or four years, or by a fine of not more than ten thousand dollars ($10,000), or both.

SEC. 4. Section 148.1 of the Penal Code is amended to read:

148.1. (a) Any person who reports to any police officer, sheriff, employee of a fire department or fire service, district attorney, newspaper, radio station, television station, deputy sheriff, deputy district attorney, member of the California Highway Patrol, employees of the Department of Justice, employees of an airline, employees of an airport, employees of a railroad or busline, an employee of a telephone company, occupants of a building or a news reporter in the employ of a newspaper or radio or television station, that a bomb or other explosive has been or will be placed or secreted in any public or private place knowing that such report is false, is guilty of a crime punishable by imprisonment in the state prison, or imprisonment in the county jail not to exceed one year.

(b) Any person who maliciously informs any other person that a bomb or other explosive has been or will be placed or secreted in any public or private place, knowing that such information is false, is guilty of a crime punishable by imprisonment in the state prison, or

imprisonment in the county jail not to exceed one year.

(c) Any person who maliciously gives, mails, sends, or causes to be sent any false or facsimile bomb to another person, or places or causes to be placed any false or facsimile bomb, with the intent that any other person thinks it is a real bomb and with knowledge that it is a false or facsimile bomb, is guilty of a crime punishable by imprisonment in the state prison, or imprisonment in the county jail not to exceed one year.

SEC. 5. Section 213 of the Penal Code is amended to read:

213. Except as provided in Section 211a, robbery is punishable by imprisonment in the state prison for two, three, or four years.

Notwithstanding Section 664, attempted robbery is punishable by imprisonment in the state prison.

SEC. 6. Section 480 of the Penal Code is amended to read:

480. Every person who makes, or knowingly has in his possession any die, plate, or any apparatus, paper, metal, machine, or other thing whatever, made use of in counterfeiting coin current in this state, or in counterfeiting gold dust, gold or silver bars, bullion, lumps, pieces, or nuggets, or in counterfeiting bank notes or bills, is punishable by imprisonment in the state prison for two, three or four years; and all such dies, plates, apparatus, paper, metal, or machine, intended for the purpose aforesaid, must be destroyed.

SEC. 8. Section 594 of the Penal Code is amended to read:

594. (a) Every person who maliciously injures or destroys any real or personal property not his own, in cases otherwise than those specified in this code, is guilty of vandalism.

(b) If the amount of injury or destruction is one thousand dollars ($1,000) or more, vandalism is punishable by (1) imprisonment for six months in the county jail, a fine of five hundred dollars ($500), or both or (2) imprisonment in the state prison not to exceed one year and one day, a fine of one thousand dollars ($1,000), or both such fine and imprisonment.

(c) If the amount of injury or destruction is less than one thousand dollars ($1,000), vandalism is punishable by imprisonment in the county jail for not more than six months, or by a fine of not more than five hundred dollars ($500), or by both such fine and imprisonment.

SEC. 9. Section 597.5 of the Penal Code is amended to read:

597.5. (a) Any person who does any of the following is guilty of a crime and is punishable by imprisonment in a state prison not to exceed one year and one day, or by imprisonment in a county jail not to exceed one year, or by a fine not to exceed fifty thousand dollars ($50,000), or by both such fine and imprisonment:

(1) Owns, possesses, keeps, or trains any dog, with the intent that such dog shall be engaged in an exhibition of fighting with another dog.

(2) For amusement or gain, causes any dog to fight with another dog, or causes any dogs to injure each other.

(3) Permits any act in violation of paragraph (1) or (2) to be done on any premises under his charge or control, or aids or abets any such act.

(b) Any person who is knowingly present, as a spectator, at any place, building, or tenement where preparations are being made for an exhibition of the fighting of dogs, with the intent to be present at such preparations, or is knowingly present at such exhibition or at any other fighting or injuring as described in paragraph (2) of subdivision (a), with the intent to be present at such exhibition, fighting, or injuring, is guilty of a misdemeanor.

(c) Nothing in this section shall prohibit any of the following:

(1) The use of dogs in the management of livestock, as defined by Section 14205 of the Food and Agricultural Code, by the owner of such livestock or his employees or agents or other persons in lawful custody thereof.

(2) The use of dogs in hunting as permitted by the Fish and Game Code including, but not limited to, Sections 3286, 3509, 3510, 4002, and 4756, and by the rules and regulations of the Fish and Game Commission.

(3) The training of dogs or the use of equipment in the training of dogs for any purpose not prohibited by law.

SEC. 10. Section 653h of the Penal Code is amended to read:

653h. (a) Every person is guilty of a public offense punishable by imprisonment in the state prison for a term not to exceed one year and one day, or by imprisonment in the county jail not to exceed one year, or by a fine not to exceed twenty-five thousand dollars ($25,000), or by both such imprisonment and fine, who:

(1) Knowingly and willfully transfers or causes to be transferred any sounds that have been recorded on a phonograph record, disc, wire, tape, film or other article on which sounds are recorded, with intent to sell or cause to be sold, or to use or cause to be used for profit through public performance, such article on which such sounds are so transferred, without the consent of the owner.

(2) Transports for monetary or like consideration within this state or causes to be transported within this state any such article with the knowledge that the sounds thereon have been so transferred without the consent of the owner.

(b) Any person who has been convicted of a violation of subdivision (a) shall, upon a subsequent conviction, be imprisoned in state prison, or by a fine not exceeding fifty thousand dollars ($50,000), or by both such fine and imprisonment.

(c) Every person who sells or causes to be sold any such article with knowledge that the sounds thereon have been so transferred without the consent of the owner is guilty of a misdemeanor punishable by imprisonment in the county jail not exceeding six months, or by a fine not to exceed five thousand dollars ($5,000), or by both such fine and imprisonment.

(d) As used in this section, "person" means any individual, partnership, partnership's member or employee, corporation, association or corporation or association employee, officer or director; "owner" means the person who owns the original fixation

of sounds embodied in the master phonograph record, master disc, master tape, master film or other article used for reproducing recorded sounds on phonograph records, discs, tapes, films or other articles on which sound is or can be recorded, and from which the transferred recorded sounds are directly or indirectly derived; and "fixation of sounds" means the master recording from which copies can be made of the series of sounds constituting the sound recording.

(e) This section shall neither enlarge nor diminish the right of parties in private litigation.

(f) This section does not apply to any person engaged in radio or television broadcasting who transfers, or causes to be transferred, any such sounds (other than from the sound track of a motion picture) intended for, or in connection with broadcast transmission or related uses, or for archival purposes.

(g) This section applies only to such articles that were initially fixed prior to February 15, 1972.

SEC. 11. Section 654 of the Penal Code is amended to read:

654. An act or omission which is made punishable in different ways by different provisions of this code may be punished under either of such provisions, but in no case can it be punished under more than one; an acquittal or conviction and sentence under either one bars a prosecution for the same act or omission under any other.

SEC. 12. Section 664 of the Penal Code is amended to read:

664. Every person who attempts to commit any crime, but fails, or is prevented or intercepted in the perpetration thereof, is punishable, where no provision is made by law for the punishment of such attempts, as follows:

1. If the offense so attempted is punishable by imprisonment in the state prison, the person guilty of such attempt is punishable by imprisonment in the state prison for one-half the term of imprisonment prescribed upon a conviction of the offense so attempted; provided, however, that if the crime attempted is one in which the maximum sentence is life imprisonment or death the person guilty of such attempt shall be punishable by imprisonment in the state prison for a term of five, six, or seven years.

2. If the offense so attempted is punishable by imprisonment in a county jail, the person guilty of such attempt is punishable by imprisonment in a county jail for a term not exceeding one-half the term of imprisonment prescribed upon a conviction of the offense so attempted.

3. If the offense so attempted is punishable by a fine, the offender convicted of such attempt is punishable by a fine not exceeding one-half the largest fine which may be imposed upon a conviction of the offense so attempted.

SEC. 13. Section 667.5 of the Penal Code is amended to read:

667.5. Enhancement of prison terms for new offenses because of prior prison terms shall be imposed as follows:

(a) Where one of the new offenses is one of the violent felonies specified in subdivision (c), in addition and consecutive to any other

prison terms therefor, the court shall impose a three-year term for each prior separate prison term served by the defendant where the prior was one of the violent felonies specified in subdivision (c); provided that no additional term shall be imposed under this subdivision for any prison term served prior to a period of 10 years in which defendant remained free of both prison custody and the commission of an offense which results in a felony conviction.

(b) Except where subdivision (a) applies, where the new offense is any felony for which a prison sentence is imposed, in addition and consecutive to any other prison terms therefor, the court shall impose a one-year term for each prior separate prison term served for any felony; provided that no additional term shall be imposed under this subdivision for any prison term served prior to a period of five years in which defendant remained free of both prison custody and the commission of an offense which results in a felony conviction.

(c) For the purpose of this section, "violent felony" shall mean any of the following:

(1) Murder or voluntary manslaughter.

(2) Mayhem.

(3) Rape as defined in subdivisions (2) and (3) of Section 261.

(4) Sodomy by force, violence, duress, menace, or threat of great bodily harm.

(5) Oral copulation by force, violence, duress, menace, or threat of great bodily harm.

(6) Lewd acts on a child under 14 as defined in Section 288.

(7) Any felony punishable by death or imprisonment in the state prison for life.

(8) Any other felony in which the defendant inflicts great bodily injury on any person other than an accomplice which has been charged and proved as provided for in Section 12022.7 on or after July 1, 1977, or as specified prior to July 1, 1977, in Sections 213, 264, and 461, or any felony in which the defendant uses a firearm which use has been charged and proved as provided in Section 12022.5.

The Legislature finds and declares that these specified crimes merit special consideration when imposing a sentence to display society's condemnation for such extraordinary crimes of violence against the person.

(d) For the purposes of this section the defendant shall be deemed to remain in prison custody for an offense until the official discharge from such custody or until release on parole whichever first occurs including any time during which the defendant remains subject to reimprisonment for escape from such custody or is reimprisoned on revocation of parole. The additional penalties provided for prior prison terms shall not be imposed unless they are charged and admitted or found true in the action for the new offense.

(e) The additional penalties provided for prior prison terms shall not be imposed for any felony for which the defendant did not serve a prior separate term in state prison.

(f) A prior conviction of a felony shall include a conviction in another jurisdiction for an offense which if committed in California is punishable by imprisonment in state prison provided the defendant served one year or more in prison for such offense in the other jurisdiction. A prior conviction of a particular felony shall include a conviction in another jurisdiction for an offense which includes all of the elements of the particular felony as defined under California law provided the defendant served one year or more in prison for such offense in the other jurisdiction.

(g) A prior separate prison term for the purposes of this section shall mean a continuous completed period of prison incarceration imposed for the particular offense alone or in combination with concurrent or consecutive sentences for other crimes, including any reimprisonment on revocation of parole which is not accompanied by a new commitment to prison, and including any reimprisonment after escape from such incarceration.

(h) Serving a prison term includes any confinement time in any state prison or federal penal institution as punishment for commission of an offense, including confinement in a hospital or other institution or facility credited as service of prison time in the jurisdiction of such confinement.

(i) For the purposes of this section, a commitment to the State Department of Health as a mentally disordered sex offender following a conviction of a felony, which commitment exceeds one year in duration, shall be deemed a prior prison term.

SEC. 13.3. Section 969c of the Penal Code is amended to read:

969c. Whenever a defendant uses a weapon or was armed with a firearm under such circumstances as to bring such defendant within the operation of Section 12022 the fact that the defendant so used a weapon or was armed with a firearm may be charged in the accusatory pleading. This charge, if made, shall be added to and be a part of the count or each of the counts of the accusatory pleading which charge the offense at the time of the commission of which the defendant used a weapon or was armed with a firearm. That portion of any count which charges that the defendant used a weapon or was armed with a firearm shall be sufficient if it can be understood therefrom that at the time of his commission of the offense set forth in the count, the defendant used a weapon or was armed with a firearm. The nature of the weapon or firearm must be set forth. One such charge may name more than one weapon or firearm. If the defendant pleads not guilty of the offense charged in any count which alleges that the defendant used a weapon or was armed with a firearm, the question whether or not he used a weapon or was armed with a firearm as alleged must be tried by the court or jury which tries the issue upon the plea of not guilty. If the defendant pleads guilty of the offense charged the question whether or not he used a weapon or was armed with a firearm as alleged must be determined by the court before pronouncing judgment.

SEC. 13.5. Section 969d of the Penal Code is amended to read:

969d. Whenever a defendant used a firearm as recited in Section 12022.5, the fact that the defendant used a firearm may be charged in the accusatory pleading. This charge, if made, shall be added to and be a part of the count or each of the counts of the accusatory pleading which charged the offense. That portion of any count which charges that the defendant used a firearm shall be sufficient if it can be understood therefrom that at the time of his commission of the offense set forth in the count the defendant used a firearm. The nature of the firearm must be set forth. One such charge may name more than one firearm. If the defendant pleads not guilty to the offense charged in any count which alleges that the defendant used a firearm, the question whether or not he used a firearm as alleged must be tried by the court or jury which tries the issue upon the plea of not guilty. If the defendant pleads guilty of the offense charged the question whether or not he used a firearm as alleged must be determined by the court before pronouncing judgment.

SEC. 14. Section 1168 of the Penal Code is amended to read:

1168. (a) Every person who commits a public offense, for which any specification of three time periods of imprisonment in any state prison is now prescribed by law shall, unless such convicted person be placed on probation, a new trial granted, or the imposing of sentence suspended, be sentenced pursuant to Chapter 4.5 (commencing with Section 1170) of Title 7 of Part 2.

(b) For any person not sentenced under such provision, but who is sentenced to be imprisoned in the state prison, including imprisonment not exceeding one year and one day, the court imposing the sentence shall not fix the term or duration of the period of imprisonment.

SEC. 15. Section 1170 of the Penal Code is amended to read:

1170. (a) (1) The Legislature finds and declares that the purpose of imprisonment for crime is punishment. This purpose is best served by terms proportionate to the seriousness of the offense with provision for uniformity in the sentences of offenders committing the same offense under similar circumstances. The Legislature further finds and declares that the elimination of disparity and the provision of uniformity of sentences can best be achieved by determinate sentences fixed by statute in proportion to the seriousness of the offense as determined by the Legislature to be imposed by the court with specified discretion.

(2) In any case in which the punishment prescribed by statute for a person convicted of a public offense is a term of imprisonment in the state prison of 16 months, two or three years; two, three or four years; three, four or five years; five, six, or seven years, or any other specification of three time periods, the court shall sentence the defendant to one of the terms of imprisonment specified unless such convicted person is given any other disposition provided by law, including a fine, jail, probation or the suspension of imposition or execution of sentence or is sentenced pursuant to subdivision (b) of Section 1168 because he had committed his crime prior to July 1,

1977. In sentencing the convicted person, the court shall apply the sentencing rules of the Judicial Council. The court, unless it determines that there are circumstances in mitigation of the punishment prescribed, shall also impose any other term which it is required by law to impose as an additional term. Nothing in this article shall affect any provision of law which imposes the death penalty, which authorizes or restricts the granting of probation or suspending the execution or imposition of sentence, or expressly provides for imprisonment in the state prison for life. In any case in which the amount of preimprisonment credit under Section 2900.5 or any other provision of law is equal to or exceeds any sentence imposed pursuant to this chapter, the entire sentence, including any period of parole under Section 3000, shall be deemed to have been served and the defendant shall not be actually delivered to the custody of the Director of Corrections. However, any such sentence shall be deemed a separate prior prison term under Section 667.5, and a copy of the judgment and other necessary documentation shall be forwarded to the Director of Corrections.

(b) When a judgment of imprisonment is to be imposed and the statute specifies three possible terms, the court shall order imposition of the middle term, unless there are circumstances in aggravation or mitigation of the crime. At least four days prior to the time set for imposition of judgment either party may submit a statement in aggravation or mitigation to dispute facts in the record or the probation officer's report, or to present additional facts. In determining whether there are circumstances that justify imposition of the upper or lower term, the court may consider the record in the case, the probation officer's report, other reports including reports received pursuant to Section 1203.03 and statements in aggravation or mitigation submitted by the prosecution or the defendant, and any further evidence introduced at the sentencing hearing. The court shall set forth on the record the facts and reasons for imposing the upper or lower term. The court may not impose an upper term by using the same fact used to enhance the sentence under Section 667.5, 1170.1, 12022, 12022.5, 12022.6, or 12022.7. A term of imprisonment shall not be specified if imposition of sentence is suspended.

(c) The court shall state the reasons for its sentence choice on the record at the time of sentencing. The court shall also inform the defendant that as part of the sentence after expiration of the term he may be on parole for a period as provided in Section 3000.

(d) When a defendant subject to this section or subdivision (b) of Section 1168 has been sentenced to be imprisoned in the state prison and has been committed to the custody of the Director of Corrections, the court may, within 120 days of the date of commitment on its own motion, or at any time upon the recommendation of the Director of Corrections or the Community Release Board, recall the sentence and commitment previously ordered and resentence the defendant in the same manner as if he

had not previously been sentenced, provided the new sentence, if any, is no greater than the initial sentence. The resentence under this subdivision shall apply the sentencing rules of the Judicial Council so as to eliminate disparity of sentences and to promote uniformity of sentencing. Credit shall be given for time served.

(e) Any sentence imposed under this article shall be subject to the provisions of Sections 3000 and 3057 and any other applicable provisions of law.

(f) In all cases the Community Release Board shall, not later than one year after the commencement of the term of imprisonment, review the sentence and shall by motion recommend that the court recall the sentence and commitment previously ordered and resentence the defendant in the same manner as if he had not been previously sentenced if the board determines the sentence is disparate. The review under this section shall concern the decision to deny probation and the sentencing decisions enumerated in subdivisions (b), (c), (d), and (e) of Sections 1170.3 and apply the sentencing rules of the Judicial Council and the information regarding the sentences in this state of other persons convicted of similar crimes so as to eliminate disparity of sentences and to promote uniformity of sentencing.

SEC. 16. Section 1170.1 of the Penal Code is repealed.

SEC. 17. Section 1170.1a of the Penal Code is amended and renumbered to read:

1170.1. (a) Except as provided in subdivision (b) and subject to Section 654, when any person is convicted of two or more felonies, whether in the same proceeding or court or in different proceedings or courts, and whether by judgment rendered by the same or by a different court, and a consecutive term of imprisonment is imposed under Sections 669 and 1170, the aggregate term of imprisonment for all such convictions shall be the sum of the principal term, the subordinate term and any additional term imposed pursuant to Section 667.5. The principal term shall consist of the greatest term of imprisonment imposed by the court for any of the crimes, including any enhancements imposed pursuant to Section 12022, 12022.5, 12022.6, or 12022.7. The subordinate term for each consecutive offense shall consist of one-third of the middle term of imprisonment prescribed for each other felony conviction for which a consecutive term of imprisonment is imposed, and shall exclude any enhancements when the consecutive offense is not listed in subdivision (c) of Section 667.5, but shall include one-third of any enhancement imposed pursuant to Section 12022, 12022.5 or 12022.7 when the consecutive offense is listed in subdivision (c) of Section 667.5. In no case shall the total of subordinate terms for consecutive offenses not listed in subdivision (c) of Section 667.5 exceed five years.

(b) In the case of any person convicted of one or more felonies committed while such person is confined in a state prison, or is subject to reimprisonment for escape from such custody and the law

either requires the terms to be served consecutively or the court imposes consecutive terms, the term of imprisonment for all such convictions which such person is required to serve consecutively shall commence from the time such person would otherwise have been released from prison. If the new offenses are consecutive with each other, the principal and subordinate terms shall be calculated as provided in subdivision (a), except that the total of subordinate terms may exceed five years. The provisions of this subdivision shall be applicable in cases of convictions of more than one offense in different proceedings, and convictions of more than one offense in the same or different proceedings.

(c) When the court imposes a prison sentence for a felony pursuant to Section 1170 the court shall also impose the additional terms provided in Sections 667.5, 12022, 12022.5, 12022.6, and 12022.7, unless the additional punishment therefore is stricken pursuant to subdivision (g). The court shall also impose any other additional term which the court determines in its discretion or as required by law shall run consecutive to the term imposed under Section 1170. In considering the imposition of such additional terms, the court shall apply the sentencing rules of the Judicial Council.

(d) When two or more enhancements under Sections 12022, 12022.5, and 12022.7 may be imposed for any single offense, only the greatest enhancement shall apply; however, in cases of robbery, rape or burglary, or attempted robbery, rape or burglary the court may impose both (1) one enhancement for weapons as provided in either Section 12022 or 12022.5 and (2) an enhancement for great bodily injury as provided in Section 12022.7.

(e) The enhancements provided in Sections 667.5, 12022, 12022.5, 12022.6, and 12022.7 shall be pleaded and proven as provided by law.

(f) The term of imprisonment shall not exceed twice the number of years imposed by the trial court as the base term pursuant to subdivision (b) of Section 1170 unless the defendant stands convicted of a felony described in subdivision (c) of Section 667.5, or a consecutive sentence is being imposed pursuant to subdivision (b) of this section, or an enhancement is imposed pursuant to Section 12022, 12022.5, 12022.6 or 12022.7.

(g) Notwithstanding any other provision of law, the court may strike the additional punishment for the enhancements provided in Sections 667.5, 12022, 12022.5, 12022.6, and 12022.7 if it determines that there are circumstances in mitigation of the additional punishment and states on the record its reasons for striking the additional punishment.

SEC. 17.5. Section 1170.1b of the Penal Code is repealed.

SEC. 18. Section 1170.2 of the Penal Code is amended to read:

1170.2. (a) In the case of any inmate who committed a felony prior to July 1, 1977, who would have been sentenced under Section 1170 if he had committed it after July 1, 1977, the Community Release Board shall determine what the length of time of imprisonment would have been under Section 1170 without consideration of

good-time credit and utilizing the middle term of the offense bearing the longest term of imprisonment of which the prisoner was convicted increased by any enhancements justified by matters found to be true and which were imposed by the court at the time of sentencing for such felony. Such matters include: being armed with a deadly or dangerous weapon as specified in Section 211a, 460, 3024, or 12022 prior to July 1, 1977, which may result in a one-year enhancement pursuant to the provisions of Section 12022; using a firearm as specified in Section 12022.5 prior to July 1, 1977, which may result in a two-year enhancement pursuant to the provisions of Section 12022.5; infliction of great bodily injury as specified in Section 213, 264, or 461 prior to July 1, 1977, which may result in a three-year enhancement pursuant to the provisions of Section 12022.7; any prior felony conviction as specified in any statute prior to July 1, 1977, which prior felony conviction is the equivalent of a prior prison term as defined in Section 667.5, which may result in the appropriate enhancement pursuant to the provisions of Section 667.5; and any consecutive sentence

(b) If the calculation required under subdivision (a) is less than the time to be served prior to a release date set prior to July 1, 1977, or if a release date had not been set, the Community Release Board shall establish the prisoner's parole date, subject to subdivision (d), on the date calculated under subdivision (a) unless at least two of the members of the Community Release Board after reviewing the prisoner's file, determine that due to the number of crimes of which the prisoner was convicted, or due to the number of prior convictions suffered by the prisoner, or due to the fact that the prisoner was armed with a deadly weapon when the crime was committed, or used a deadly weapon during the commission of the crime, or inflicted or attempted to inflict great bodily injury on the victim of the crime, the prisoner should serve a term longer than that calculated in subdivision (a), in which event the prisoner shall be entitled to a hearing before a panel consisting of at least two members of the Community Release Board as provided for in Section 3041.5. The Community Release Board shall notify each prisoner who is scheduled for such a hearing within 90 days of July 1, 1977, or within 90 days of the date the prisoner is received by or returned to the custody of the Department of Corrections, whichever is later. The hearing shall be held before April 1, 1978, or within 120 days of receipt of the prisoner, whichever is later. The board may by resolution extend this period an additional 90 days. However, such resolution shall have no force or effect if vetoed by resolution of either house of the Legislature. It is the intent of the Legislature that the hearings provided for in this subdivision shall be accomplished in the most expeditious manner possible At such hearing the prisoner shall be entitled to be represented by legal counsel, a release date shall be set, and the prisoner shall be informed in writing of the extraordinary factors specifically considered determinative and on what basis the release date has been calculated. In fixing a term

under this section the board shall be guided by, but not limited to, the term which reasonably could be imposed on a person who committed a similar offense under similar circumstances on or after July 1, 1977, and further, the board shall be guided by the following finding and declaration hereby made by the Legislature: that the necessity to protect the public from repetition of extraordinary crimes of violence against the person is the paramount consideration.

(c) Nothing in this section shall be deemed to keep an inmate in the custody of the Department of Corrections for a period of time longer than he would have been kept in its custody under the provisions of law applicable to him prior to July 1, 1977. Nothing in this section shall be deemed to require the release of an inmate sentenced to consecutive sentences under the provisions of law applicable to him prior to July 1, 1977, earlier than if he had been sentenced to concurrent sentences.

(d) In the case of any prisoner who committed a felony prior to July 1, 1977, who would have been sentenced under Section 1170 if the felony was committed on or after July 1, 1977, the good behavior and participation provisions of Article 2.5 (commencing with Section 2930) of Chapter 7 of Title 1 of Part 3 shall apply from July 1, 1977, and thereafter.

(e) In the case of any inmate who committed a felony prior to July 1, 1977, who would have been sentenced under Section 1168 if the felony was committed on or after July 1, 1977, the Community Release Board shall provide for release from prison as provided for by this code.

(f) In the case of any inmate who committed a felony prior to July 1, 1977, the length, conditions, revocation, and other incidents of parole shall be the same as if the prisoner had been sentenced for an offense committed on or after July 1, 1977.

(g) Nothing in this chapter shall affect the eligibility for parole under Article 3 (commencing with Section 3040) of Chapter 8 of Title 1 of Part 3 of an inmate sentenced pursuant to Section 1168 as operative prior to July 1, 1977, for a period of parole as specified in subdivision (b) of Section 3000.

SEC. 18.5. Section 1170.4 of the Penal Code, as added by Chapter 1139 of the Statutes of 1976, is amended to read:

1170.4. The Judicial Council shall collect, analyze, and quarterly distribute and publish relevant information to trial judges and other interested persons relating to sentencing practices in this state and other jurisdictions. Such information shall be taken into consideration by the Judicial Council in the adoption of rules pursuant to Section 1170.3.

SEC. 19. Section 1191 of the Penal Code is amended to read:

1191. In the superior court, after a plea, finding or verdict of guilty, or after a finding or verdict against the defendant on a plea of a former conviction or acquittal, or once in jeopardy, the court must appoint a time for pronouncing judgment, which must be within 28 days after the verdict, finding or plea of guilty, during

which time the court shall refer the case to the probation officer for a report if eligible for probation and pursuant to Section 1203; provided, however, that the court may extend the time not more than 10 days for the purpose of hearing or determining any motion for a new trial, or in arrest of judgment, and may further extend the time until the probation officer's report is received and until any proceedings for granting or denying probation have been disposed of. If in the opinion of the court there is a reasonable ground for believing a defendant insane, the court may extend the time for pronouncing sentence until the question of insanity has been heard and determined, as provided in this code. If the court orders defendant placed in a diagnostic facility pursuant to Section 1203.03, the time otherwise allowed by this section for pronouncing judgment is extended by a period equal to (1) the number of days which elapse between the date of such order and the date on which notice is received from the Director of Corrections advising whether or not the Department of Corrections will receive defendant in such facility, and (2) if the director notifies the court that it will receive the defendant, the time which elapses until his return to the court from the facility

SEC. 20. Section 1203 of the Penal Code is amended to read:

1203 (a) In every case in which a person is convicted of a felony and is eligible for probation, before judgment is pronounced, the court shall immediately refer the matter to the probation officer to investigate and report to the court, at a specified time, upon the circumstances surrounding the crime and the prior history and record of the person, which may be considered either in aggravation or mitigation of the punishment. The probation officer shall immediately investigate and make a written report to the court of his findings and recommendations, including his recommendations as to the granting or denying of probation and the conditions of probation, if granted. The report shall be made available to the court and the prosecuting and defense attorneys at least nine days prior to the time fixed by the court for the hearing and determination of the report, and shall be filed with the clerk of the court as a record in the case at the time of the hearing. The time within which the report shall be made available and filed may be waived by written stipulation of the prosecuting and defense attorney which is filed with the court or an oral stipulation in open court which is made and entered upon the minutes of the court. At a time fixed by the court, the court shall hear and determine the application, if one has been made, or, in any case, the suitability of probation in the particular case. At the hearing, the court shall consider any report of the probation officer and shall make a statement that it has considered such report which shall be filed with the clerk of the court as a record in the case. If the court determines that there are circumstances in mitigation of the punishment prescribed by law or that the ends of justice would be subserved by granting probation to the person, it may place him on probation. If probation is denied, the clerk of the

court shall immediately send a copy of the report to the Department of Corrections at the prison or other institution to which the person is delivered.

(b) If a defendant is not represented by an attorney, the court shall order the probation officer who makes the probation report to discuss its contents with the defendant.

(c) In every case in which a person is convicted of a misdemeanor, the court may either refer the matter to the probation officer for an investigation and a report or summarily grant or deny probation. If such a case is not referred to the probation officer, in sentencing the person, the court may consider any information concerning him which could have been included in a probation report. The court shall inform the person of the information to be considered and permit him to answer or controvert it. For this purpose, upon the request of the person, the court shall grant a continuance before the judgment is pronounced.

(d) Except in unusual cases where the interests of justice would best be served if the person is granted probation, probation shall not be granted to any of the following persons:

(1) Unless he had a lawful right to carry a deadly weapon, other than a firearm, at the time of the perpetration of the crime or his arrest, any person who has been convicted of arson, robbery, burglary, burglary with explosives, rape with force or violence, murder, assault with intent to commit murder, attempt to commit murder, trainwrecking, kidnapping, escape from the state prison, or a conspiracy to commit one or more of such crimes and was armed with such weapon at either of such times.

(2) Any person who used or attempted to use a deadly weapon, other than a firearm, upon a human being in connection with the perpetration of the crime of which he has been convicted.

(3) Any person who willfully inflicted great bodily injury or torture in the perpetration of the crime of which he has been convicted.

(4) Any person who has been previously convicted twice in this state of a felony or in any other place of a public offense which, if committed in this state, would have been punishable as a felony.

(5) Unless he has never been previously convicted once in this state of a felony or in any other place of a public offense which, if committed in this state, would have been punishable as a felony, any person who has been convicted of burglary with explosives, rape with force or violence, murder, attempt to commit murder, assault with intent to commit murder, trainwrecking, extortion, kidnapping, escape from the state prison, a violation of Section 286, 288, or 288a, or a conspiracy to commit one or more of such crimes.

(6) Any person who has been previously convicted once in this state of a felony or in any other place of a public offense which, if committed in this state, would have been punishable as a felony, if he committed any of the following acts:

(i) Unless he had a lawful right to carry a deadly weapon at the

time of the perpetration of such previous crime or his arrest for such previous crime, he was armed with such weapon at either of such times.

(ii) He used or attempted to use a deadly weapon upon a human being in connection with the perpetration of such previous crime.

(iii) He willfully inflicted great bodily injury or torture in the perpetration of such previous crime.

(7) Any public official or peace officer of this state or any city, county, or other political subdivision who, in the discharge of the duties of his public office or employment, accepted or gave or offered to accept or give any bribe, embezzled public money, or was guilty of extortion.

(e) When probation is granted in a case which comes within the provisions of subdivision (d), the court shall specify the circumstances indicating that the interests of justice would best be served by such a disposition.

(f) If a person is not eligible for probation, the judge may, in his discretion, refer the matter to the probation officer for an investigation of the facts relevant to the sentencing of the person. Upon such referral, the probation officer shall immediately investigate the circumstances surrounding the crime and the prior record and history of the person and make a written report to the court of his findings.

(g) No probationer shall be released to enter another state unless his case has been referred to the Administrator, Interstate Probation and Parole Compacts, pursuant to the Uniform Act for Out-of-State Probationer or Parolee Supervision (Article 3 (commencing with Section 11175) of Chapter 2 of Title 1 of Part 4).

SEC. 21. Section 1203.03 of the Penal Code is amended to read:

1203.03. (a) In any case in which a defendant is convicted of an offense punishable by imprisonment in the state prison, the court, if it concludes that a just disposition of the case requires such diagnosis and treatment services as can be provided at a diagnostic facility of the Department of Corrections, may order that defendant be placed temporarily in such facility for a period not to exceed 90 days, with the further provision in such order that the Director of the Department of Corrections report to the court his diagnosis and recommendations concerning the defendant within the 90-day period.

(b) The Director of the Department of Corrections shall, within the 90 days, cause defendant to be observed and examined and shall forward to the court his diagnosis and recommendation concerning the disposition of defendant's case. Such diagnosis and recommendation shall be embodied in a written report and copies of the report shall be served only upon the defendant or his counsel, the probation officer, and the prosecuting attorney by the court receiving such report. After delivery of the copies of the report, the information contained therein shall not be disclosed to anyone else without the consent of the defendant. After disposition of the case,

all copies of the report, except the one delivered to the defendant or his counsel, shall be filed in a sealed file and shall be available thereafter only to the defendant or his counsel, the prosecuting attorney, the court, the probation officer, or the Department of Corrections.

(c) Notwithstanding subdivision (b), the probation officer may retain a copy of the report for the purpose of supervision of the defendant if the defendant is placed on probation by the court. The report and information contained therein shall be confidential and shall not be disclosed to anyone else without the written consent of the defendant Upon the completion or termination of probation, the copy of the report shall be returned by the probation officer to the sealed file prescribed in subdivision (b).

(d) The Department of Corrections shall designate the place to which a person referred to it under the provisions of this section shall be transported. After the receipt of any such person, the department may return the person to the referring court if the director of the department, in his discretion, determines that the staff and facilities of the department are inadequate to provide such services.

(e) The sheriff of the county in which an order is made placing a defendant in a diagnostic facility pursuant to this section, or any other peace officer designated by the court, shall execute the order placing such defendant in the center or returning him therefrom to the court. The expense of such sheriff or other peace officer incurred in executing such order is a charge upon the county in which the court is situated.

(f) It is the intention of the Legislature that the diagnostic facilities made available to the counties by this section shall only be used for the purposes designated and not in lieu of sentences to local facilities.

(g) Time spent by a defendant in confinement in a diagnostic facility of the Department of Corrections pursuant to this section or as an inpatient of the California Rehabilitation Center shall be credited on the term of imprisonment in state prison, if any, to which defendant is sentenced in the case.

(h) In any case in which a defendant has been placed in a diagnostic facility pursuant to this section and, in the course of his confinement, he is determined to be suffering from a remediable condition relevant to his criminal conduct, the department may, with the permission of defendant, administer treatment for such condition. If such treatment will require a longer period of confinement than the period for which defendant was placed in the diagnostic facility, the Director of Corrections may file with the court which placed defendant in the facility a petition for extension of the period of confinement, to which shall be attached a writing signed by defendant giving his consent to the extension. If the court finds the petition and consent in order, it may order the extension, and transmit a copy of the order to the Director of Corrections.

SEC. 22 Section 1203.06 of the Penal Code is amended to read:

1203.06. Notwithstanding the provisions of Section 1203:

(a) Probation shall not be granted to, nor shall the execution or imposition of sentence be suspended for, any of the following persons:

(1) Any person who personally used a firearm during the commission or attempted commission of any of the following crimes:

(i) Murder.

(ii) Assault with intent to commit murder, in violation of Section 217.

(iii) Robbery, in violation of Section 211.

(iv) Kidnapping, in violation of Section 207.

(v) Kidnapping for ransom, extortion, or robbery, in violation of Section 209.

(vi) Burglary of the first degree, as defined in Section 460.

(vii) Rape by force or violence, in violation of subdivision (2) of Section 261.

(viii) Rape by threat of great and immediate bodily harm, in violation of subdivision (3) of Section 261.

(ix) Assault with intent to commit rape, the infamous crime against nature, or robbery, in violation of Section 220.

(x) Escape, in violation of Section 4530 or 4532.

(2) Any person previously convicted of a felony specified in subparagraphs (i) through (x) of paragraph (1), who is convicted of a subsequent felony and who was personally armed with a firearm at any time during its commission or attempted commission or was unlawfully armed with a firearm at the time of his arrest for the subsequent felony.

(b) (1) The existence of any fact which would make a person ineligible for probation under subdivision (a) shall be alleged in the accusatory pleading, and either admitted by the defendant in open court, or found to be true by the jury trying the issue of guilt or by the court where guilt is established by plea of guilty or nolo contendere or by trial by the court sitting without a jury.

(2) This subdivision does not prohibit the adjournment of criminal proceedings pursuant to Division 3 (commencing with Section 3000) or Division 6 (commencing with Section 6000) of the Welfare and Institutions Code.

(3) As used in subdivision (a) "used a firearm" means to display a firearm in a menacing manner, to intentionally fire it, or to intentionally strike or hit a human being with it.

(4) As used in subdivision (a) "armed with a firearm" means to knowingly carry a firearm as a means of offense or defense.

SEC. 22.2. Section 1213.5 of the Penal Code is amended to read:

The abstract of judgment provided for in Section 1213 shall be prescribed by the Judicial Council.

SEC. 22.5. Section 1389.3 of the Penal Code is repealed.

SEC. 23. Section 1389.7 of the Penal Code is amended to read:

1389.7. When, pursuant to the agreement on detainers or other provision of law, a person in actual confinement under sentence of

another jurisdiction is brought before a California court and sentenced by the judge to serve a California sentence concurrently with the sentence of the other jurisdiction or has been transferred to another jurisdiction for concurrent service of previously imposed sentences, the Community Release Board, and the panels and members thereof, may meet in such other jurisdiction, or enter into cooperative arrangements with corresponding agencies in the other jurisdiction, as necessary to carry out the term-fixing and parole functions.

SEC. 24. Section 2081.5 of the Penal Code is amended to read:

2081.5 The Director of Corrections shall keep complete case records of all prisoners under custody of the department, which records shall be made available to the Community Release Board at such times and in such form as the board may prescribe.

Case records shall include all information received by the Director of Corrections from the courts, probation officers, sheriffs, police departments, district attorneys, State Department of Justice, Federal Bureau of Investigation, and other interested agencies and persons. Case records shall also include a record of diagnostic findings, considerations, actions and dispositions with respect to classification, treatment, employment, training, and discipline as related to the institutional correctional program followed for each prisoner.

The director shall appoint, after consultation with the Community Release Board, such employees of the various institutions under his control as may be necessary for the proper performance of the duties of the Community Release Board, and when requested shall also have in attendance at hearings of the Community Release Board, psychiatric or medical personnel. The director shall furnish, after consultation with the Community Release Board and the Director of General Services, such hearing rooms and other physical facilities at such institutions as may be necessary for the proper performance of the duties of the Community Release Board.

SEC. 25. Section 2399 of the Penal Code is repealed.

SEC. 26. Section 2400 of the Penal Code is amended to read:

2400. There is in the Department of Corrections, a division known as the Parole and Community Services Division.

SEC. 28. Section 2401.5 of the Penal Code is amended to read:

2401.5. The head of the Parole and Community Services Division shall be appointed by the director pursuant to the State Civil Service Act.

SEC 29. Section 2402 of the Penal Code is amended to read:

2402. The director shall organize the division.

SEC 30. Section 2403 of the Penal Code is amended to read:

2403. The division shall perform such functions and duties as specified from time to time by the director.

SEC. 31. Section 2651 of the Penal Code is amended to read:

2651. No punishment, except as may be authorized by the Director of Corrections, shall be inflicted and then only by the order and under the direction of the wardens. Nothing in this section shall

be construed as a limitation or impairment of the authority of the Community Release Board in exercising its functions.

SEC. 32. Section 2684 of the Penal Code is amended to read:

2684. If, in the opinion of the Director of Corrections, the rehabilitation of any mentally ill, mentally deficient, or insane person confined in a state prison may be expedited by treatment at any one of the state hospitals under the jurisdiction of the State Department of Health, the Director of Corrections, with the approval of the Community Release Board for persons sentenced pursuant to subdivision (b) of Section 1168, shall certify that fact to the Director of Health who shall evaluate the prisoner to determine if he would benefit from care and treatment in a state hospital. If the Director of Health so determines, the superintendent of the hospital shall receive the prisoner and keep him until in the opinion of the superintendent such person has been treated to such an extent that he will not benefit from further care and treatment in a state hospital.

SEC. 33. Section 2772 of the Penal Code is amended to read:

2772. Any person who, without authority, interferes with or in any way interrupts the work of any prisoners employed pursuant to this article, and any person not authorized by law, who gives or attempts to give to any prisoner so employed any opium, cocaine or other narcotics or any intoxicating liquors of any kind whatever, or firearms, weapons or explosives of any kind, is guilty of a felony and upon conviction thereof shall be punished by imprisonment in the state prison and shall be disqualified from holding any state office or position in the employ of this state. Any person who interferes with the discipline or good conduct of any prisoner employed pursuant to this article, while such prisoner is in the confines or limits of the state prison road camp is guilty of a misdemeanor and upon conviction thereof shall be punished by imprisonment in the county jail for a term not more than six months, or by a fine of not more than two hundred dollars ($200), or by both such fine and imprisonment. Any peace officer or any officer or guard of any state prison or any superintendent of such road work, having in charge the prisoners employed upon such highways or state roads, may arrest without a warrant any person violating any provisions of this article.

SEC. 34. Section 2790 of the Penal Code is amended to read:

2790. Any person, who, without authority, interferes with or in any way interrupts the work of any convict used pursuant to this article and any person not authorized by law, who gives or attempts to give to any state prison convict so employed any opium, cocaine or other narcotics, or any intoxicating liquors of any kind whatever, or firearms, weapons or explosives of any kind is guilty of a felony and upon conviction thereof shall be punished by imprisonment in the state prison and shall be disqualified from holding any state office or position in the employ of this state. Any person who interferes with the discipline or good conduct of any convict used pursuant to this article, while such convict is in such camps is guilty of a misdemeanor

and upon conviction thereof shall be punished by imprisonment in the county jail for a term not more than six months, or by a fine of not more than two hundred dollars ($200), or by both such fine and imprisonment. Any peace officer or any officer or guard of any state prison or any superintendent of such work, having in charge the convicts used in such camps, may arrest without a warrant any person violating any provisions of this article.

SEC. 35. Section 2911 of the Penal Code is amended to read:

2911. (a) The Director of Corrections may enter into contracts, with the approval of the Director of General Services, with appropriate officials or agencies of the United States for the confinement, care, education, treatment and employment of such persons convicted of criminal offenses in the courts of this state and committed to state prisons as the director believes can benefit by such confinement, care, education, treatment and employment.

(b) Any contract entered into pursuant to subdivison (a) shall provide for (1) reimbursement to the United States government for the cost of such services, including any costs incurred by such government in transporting such prisoners, and (2) such other matters as may be necessary and appropriate to fix the obligations, responsibilities and rights of the respective parties to the contract.

(c) No inmate may be transferred from an institution within this state to a federal facility pursuant to such a contract unless he has executed, in the presence of the warden or other head of the institution in this state in which he is confined, a written consent to the transfer. The inmate shall have the right to a private consultation with an attorney of his choice, concerning his rights and obligations under this section, prior to his appearance before the warden or other head of the institution for the purpose of executing the written consent.

(d) Whenever a contract has been made pursuant to this section the director may direct the transfer of an inmate to the facility designated and shall thereafter deliver the inmate to the custody of the appropriate federal officials for transportation to such facility. An inmate so transferred shall at all times be subject to the jurisdiction of this state and may at any time be removed from the facility in which he is confined for return to this state, for transfer to another facility in which this state may have a contractual or other right to confine inmates, for release on probation or parole, for discharge, or for any other purpose permitted by the laws of this state; in all other respects, an inmate transferred to a federal facility shall be subject to all provisions of the law or regulations applicable to persons committed for violations of laws of the United States not inconsistent with the sentence imposed on such inmate.

(e) The Community Release Board, and the panels and members thereof, may meet at the federal facility where an inmate is confined pursuant to this section or enter into cooperative arrangements with corresponding federal agencies or officials, as necessary to carry out the term-fixing and parole functions. Nothing in this subdivision shall

be deemed to waive an inmate's right to personally appear before the Community Release Board.

(f) Any inmate confined pursuant to a contract entered into pursuant to this section shall be released within the territory of this state unless the inmate, this state and the federal government shall agree upon release in some other place. This state shall bear the cost of return of the inmate to its territory.

SEC. 36. Article 2 (commencing with Section 2920) of Chapter 7 of Title 1 of Part 3 of the Penal Code is repealed.

SEC. 37. Section 2930 of the Penal Code is amended to read:

2930 (a) The Department of Corrections shall inform every prisoner sentenced under Section 1170, not later than 14 days after reception in prison, of all applicable prison rules and regulations including the possibility of receiving a one-third reduction of the sentence for good behavior and participation. Within 14 days of the prisoner's arrival at the institution to which the prisoner is ultimately assigned by the Department of Corrections, the prisoner shall be informed of the range of programs offered by that institution and their availability at that institution. The prisoner's central file shall reflect compliance with the provisions of this section not later than 90 days after reception in prison

(b) The department shall, within 90 days after July 1, 1977, inform every prisoner who committed a felony before July 1, 1977, and who would have been sentenced under Section 1170 if the felony had been committed after July 1, 1977, of all applicable prison rules and regulations, which have not previously been provided, of the range of programs offered and their availability, and the possibility of receiving a reduction for good behavior and participation of one-third of the prisoner's remaining sentence after July 1, 1977. The inmate's central file shall reflect compliance with the provisions of this section.

SEC. 38. Section 2931 of the Penal Code is amended to read:

2931. (a) In any case in which an inmate was sentenced to the state prison pursuant to Section 1170, or if he committed a felony before July 1, 1977, and he would have been sentenced under Section 1170 if the felony had been committed after July 1, 1977, the Department of Corrections shall have the authority to reduce the term prescribed under such section by one-third for good behavior and participation consistent with subdivision (d) of Section 1170.2. A document shall be signed by a prison official and given to the inmate, at the time of compliance with Section 2930, outlining the conditions which the inmate shall meet to receive the credit. The conditions specified in such document may be modified upon any of the following·

(1) Mutual consent of the prisoner and the Department of Corrections.

(2) The transfer of the inmate from one instutition to another.

(3) The department's determination of the prisoner's lack of adaptability or success in a specific program or assignment. In such

case the inmate shall be entitled to a hearing regarding the department's decision.

(4) A change in custodial status.

(b) Total possible good behavior and participation credit shall result in a four-month reduction for each eight months served in prison or in a reduction based on this ratio for any lesser period of time. Three months of this four-month reduction, or a reduction based on this ratio for any lesser period, shall be based upon forbearance from any or all of the following activities:

(1) Assault with a weapon; or escape.

(2) Physically assaultive behavior; possession of a weapon without permission; possession of controlled substances without prescription; attempt to escape; or urging others, with the intent to cause a riot, to commit acts of force or violence, at a time and place under circumstances which produce a clear and present and immediate danger of a riot which results in acts of force or violence.

(3) Intentional destruction of state property valued in excess of fifty dollars ($50); falsification of a significant record or document; possession of escape tools without permission; or manufacture or sale of intoxicants. Activities specified in paragraph (1) may result in a maximum denial of good behavior credit of 45 days for each such prohibited activity. Activities specified in paragraph (2) may result in a maximum denial of good behavior credit of 30 days for each such prohibited activity. Activities specified in paragraph (3) may result in a maximum denial of good behavior credit of 15 days for each such prohibited activity. Nothing in this section shall prevent the Department of Corrections from seeking criminal prosecution for violations of law.

(c) One of the four months reduction, or a formula based on this ratio for a lesser period, shall be based solely upon participation in work, educational, vocational, therapeutic or other prison activities. Failure to succeed after demonstrating a reasonable effort in the specified activity shall not result in loss of participation credit. Failure to participate in the specified activities can result in a maximum loss of credit of 30 days for each failure to participate. However, those confined either by choice or due to behavior problems shall be given specified activities commensurate with the custodial status.

SEC. 39. Section 2932 of the Penal Code is amended to read:

2932. (a) Not more than 90 days of good behavior credit nor more than 30 days of participation credit may be denied or lost during any eight-month period during which the misbehavior or failure to participate took place. Good behavior and participation credit shall be deemed to be earned in cases where the department fails to adhere to the time limitations of this section except as specified in subdivision (c). Any procedure not provided for by this section, but necessary to carry out the purposes of this section, shall be those procedures provided for by the Department of Corrections for serious disciplinary infractions if those procedures are not in

conflict with this section.

(1) The Department of Corrections shall, using reasonable diligence to investigate, provide written notice to the prisoner. The written notice shall be given within five days after the discovery of information leading to charges that may result in a possible denial of good behavior or participation credit, but not later than 30 days after the alleged misbehavior took place, unless the evidence was not reasonably discoverable. The written notice shall include the specific charge, the date, the time, the place that the alleged misbehavior took place, the evidence relied upon, a written explanation of the procedures that will be employed at the proceedings and the prisoner's rights at such hearing, and in the case where the prisoner has been notified more than 30 days after the alleged misbehavior why the evidence was not reasonably discoverable within the 30 days or any sooner than it was discovered. Such hearing shall be conducted by an individual who shall be independent of the case and shall take place within 10 days of such written notice; unless for good cause shown by the Department of Corrections that extraordinary circumstances prevented the hearing from being conducted within 10 days and the prisoner is not prejudiced by the delay the Department of Corrections shall notify the prisoner in writing specifying the extraordinary circumstances and shall conduct the hearing as soon as possible but in no case later than 30 days after the initial written notice of possible good behavior or participation denial.

(2) The prisoner has the right to elect to be assigned an investigative employee who will gather information, talk to witnesses, prepare a written report and be present at the hearing.

(3) The prisoner may request witnesses to attend the hearing and they shall be called unless the person conducting the hearing has specific reasons to deny this request. Such specific reasons shall be set forth in writing and a copy of such document shall be presented to the prisoner.

(4) The person who will conduct the hearing shall determine if the prisoner shall need assistance with presentation of a defense at the hearing and if so, at the prisoner's discretion, the prisoner has the right to be assigned an employee of the Department of Corrections to assist in presenting the prisoner's defense.

(5) The prisoner has the right, under the direction of the person conducting the hearing, to question all witnesses.

(6) At the conclusion of the hearing the charge shall be dismissed if the facts do not support the charge, or the inmate may be found guilty on the basis of a preponderance of the evidence.

(7) If found guilty the prisoner shall be advised within 10 days in writing of the guilty finding and the specific evidence relied upon to reach this conclusion and the amount of good-time loss. The prisoner may appeal such decision through the Department of Corrections review procedure, and may, upon final notification of appeal denial, within 10 days of such notification demand review of the

department's denial of credit to the Community Release Board, and the board may affirm, reverse, or modify the department's decision or grant a hearing before the board at which hearing the inmate will have the rights specified in Section 3041.5.

(b) Within 30 days of reception in prison, each prisoner shall be notified of the total amount of good behavior and participation credit which may be credited to his term and his anticipated good-time release date and shall be notified of any change in the anticipated release date.

(c) If the conduct the prisoner is charged with also constitutes a crime, the Department of Corrections may refer the case to criminal authorities for possible prosecution and notify the prisoner as provided in subdivision (a), in which case the time limitations specified in subdivision (a) shall not apply. If the district attorney has not filed an accusatory pleading against the prisoner within 60 days of such referral, the prisoner may request that a hearing be held in which case the department must hold the hearing within 15 days of such request.

In the case where the prisoner is prosecuted by the district attorney, the Department of Corrections shall not deny good behavior credit where the prisoner is found not guilty and may deny good behavior credit pursuant to the schedule specified in Section 2931 if the prisoner is found guilty.

(d) If good behavior or participation credit denial proceedings, or criminal prosecution prohibit the release of a prisoner who would have otherwise been released, and the prisoner is found not guilty of the alleged misconduct, the amount of time spent incarcerated, in excess of what the period of incarceration would have been absent the alleged misbehavior, shall be deducted from the prisoner's parole period.

SEC. 40. Article 3 (commencing with Section 2940) of Chapter 7 of Title 1 of Part 3 of the Penal Code is repealed.

SEC. 41. Article 3 (commencing with Section 2947) is added to Chapter 7 of Title 1 of Part 3 of the Penal Code, to read:

Article 3. Blacklist or Extortion of Discharged Prisoner

2947. Any person who knowingly and willfully communicates to another, either orally or in writing, any statement concerning any person then or theretofore convicted of a felony, and then finally discharged, and which communication is made with the purpose and intent to deprive such person so convicted of employment, or to prevent him from procuring the same, or with the purpose and intent to extort from him any money or article of value; and any person who threatens to make any such communication with the purpose and intent to extort money or any article of value from such person so convicted of a felony is guilty of a misdemeanor.

SEC. 42. Section 3000 of the Penal Code is amended to read:

3000. The Legislature finds and declares that the period

immediate following incarceration is critical to successful reintegration of the offender into society and to positive citizenship. It is in the interest of public safety for the state to provide for the supervision of and surveillance of parolees and to provide educational, vocational, family and personal counseling necessary to assist parolees in the transition between imprisonment and discharge. A sentence pursuant to Section 1168 or 1170 shall include a period of parole, unless waived, as provided in this section. Notwithstanding any provision to the contrary in Article 3 (commencing with Section 3040) of this chapter.

(a) At the expiration of a term of imprisonment of one year and one day, or a term of imprisonment imposed pursuant to Section 1170, or at the expiration of such term as reduced pursuant to Section 2931, if applicable, the inmate shall be released on parole for a period not exceeding one year, unless the board for good cause waives parole and discharges the inmate from custody of the department.

(b) In the case of any inmate sentenced under Section 1168, the period of parole shall not exceed three years in the case of an inmate imprisoned under a life sentence, and shall not exceed one year in the case of an inmate whose prison sentence does not consist of imprisonment under a life sentence, unless in either case the board for good cause waives parole and discharges the inmate from custody of the department. This subdivision shall be also applicable to inmates who committed crimes prior to July 1, 1977, to the extent specified in Section 1170.2.

(c) The board shall consider the request of any inmate regarding the length of his parole and the conditions thereof.

(d) Upon successful completion of parole, or at the end of the maximum statutory period of parole specified for the inmate under subdivision (a) or (b), as the case may be, whichever is earlier, the inmate shall be discharged from custody. The date of the maximum statutory period of parole under this subdivision and subdivisions (a) and (b) shall be computed from the date of initial parole, or July 1, 1977, whichever is later, and shall be a period chronologically determined. Time during which parole is suspended because the prisoner has absconded or has been returned to custody as a parole violator shall not be credited toward such period of parole unless the prisoner is found not guilty of the parole violation. However, in no case, except as provided in Section 3064, may a prisoner sentenced pursuant to Section 1170 be retained under parole supervision or in custody for a period longer than 18 months from the date of his initial parole, and, except as provided in Section 3064, in no case may a prisoner sentenced pursuant to subdivision (b) of Section 1168 be retained under parole supervision or in custody for a period longer than four years from the date of his initial parole.

(e) It is not the intent of this section to diminish resources presently allocated to the Department of Corrections for parole functions.

(f) The Department of Corrections shall meet with each inmate

at least 30 days prior to his good-time release date, unless such release date is within 30 days of July 1, 1977, and shall provide, under guidelines specified by the Community Release Board, the conditions of parole and the length of parole up to the maximum period of time provided by law. The inmate has the right to reconsideration of the length of parole and conditions thereof by the Community Release Board.

SEC. 43. Article 2 (commencing with Section 3020) of Chapter 8 of Title 1 of Part 3 of the Penal Code is repealed.

SEC. 44. Section 3040 of the Penal Code is amended to read:

3040. The Community Release Board shall have the power to allow prisoners imprisoned in the state prisons pursuant to subdivision (b) of Section 1168 to go upon parole outside the prison walls and enclosures. The board may parole prisoners in the state prisons to camps for paroled prisoners established under Section 2792.

SEC. 45. Section 3041 of the Penal Code is amended to read:

3041. (a) In the case of any prisoner sentenced pursuant to any provision of law, other than Chapter 4.5 (commencing with Section 1170) of Title 7 of Part 2, the Community Release Board shall meet with each such inmate within the first year of incarceration solely for the purposes of reviewing the inmate's file and making recommendations. One year prior to the inmate's minimum eligible parole release date a three-member panel of the board shall again meet with the inmate and shall normally set a parole release date. The Community Release Board shall set the parole release date in a manner that will provide uniform terms for offenses of similar gravity and magnitude in respect to their threat to the public. The board shall comply with the sentencing rules that the Judicial Council may issue and any sentencing information relevant to the setting of parole release dates. The board shall establish criteria for the setting of parole release dates and in doing so shall consider the number of victims of the crime for which the prisoner was sentenced and other factors in mitigation or aggravation of the crime. At least one member of the panel shall have been present at the last preceding meeting, unless it is not feasible to do so or where the last preceding meeting was the initial meeting. Any person on the hearing panel may request review of any decision regarding parole to the full board for an en banc hearing. In case of such a review, a majority vote of the full Community Release Board in favor of parole is required to grant parole to any prisoner.

(b) The board shall set a release date unless it determines that the gravity of the current convicted offense or offenses, or the timing and gravity of current or past convicted offense or offenses, is such that consideration of the public safety requires a more lengthy period of incarceration for this individual, and that a parole date, therefore, cannot be fixed at this meeting.

(c) For the purpose of reviewing the suitability for parole of those prisoners eligible for parole under prior law at a date earlier than

that calculated under Section 1170.2, the board shall appoint panels of at least two persons to meet annually with each such prisoner until such time as the person is released pursuant to such proceedings or reaches the expiration of his term as calculated under Section 1170.2.

SEC 46. Section 3041.5 of the Penal Code is amended to read:

3041.5. (a) At all hearings for the purpose of reviewing a prisoner's parole suitability, or the setting, postponing or rescinding of parole dates:

(1) At least 10 days prior to any hearing by the Community Release Board, the prisoner shall be permitted to review his or her file which will be examined by the board and shall have the opportunity to enter a written response to any material contained in such file.

(2) The prisoner shall be permitted to be present, to ask and answer questions, and to speak on his own behalf.

(3) Unless legal counsel is required by some other provision of law, a person designated by the Department of Corrections shall be present to insure that all facts relevant to the decision be presented, including, if necessary, contradictory assertions as to matters of fact that have not been resolved by departmental or other procedures.

(4) The prisoner shall be permitted to request and receive a stenographic record of all proceedings

(5) If the hearing is for the purpose of postponing or rescinding of parole dates, the prisoner will have rights set forth in paragraphs (3) and (5) of subdivision (a) of Section 2932

(b) (1) Within 10 days following any meeting where a parole date has been set, the board shall send the prisoner a written statement setting forth his parole date, the conditions he must meet in order to be released on the date set, and the consequences of failure to meet such conditions

(2) Within 20 days following any meeting where a parole date has not been set for the reasons stated in subdivision (b) of Section 3041, the board shall send the prisoner a written statement setting forth the reason or reasons for refusal to set a parole date; and suggest activities in which he might participate that will benefit him while he is incarcerated. The board shall hear each such case annually thereafter.

(3) Within 10 days of any board action resulting in the postponement of a previously set parole date, the board shall send the prisoner a written statement setting forth a new date and the reason or reasons for such action and shall offer the prisoner an opportunity for review of such action within 90 days of the time the prisoner receives the statement.

(4) Within 10 days of any board action resulting in the rescinding of a previously set parole date, the board shall send the prisoner a written statement setting forth the reason or reasons for such action and shall, within six months, set the prisoner's parole release date in accord with the provisions of Section 3041 and this section.

SEC 47 Section 3041 7 of the Penal Code is amended to read:

3041.7. A prisoner under a life sentence whose release date has been set at more than three years beyond the minimum eligible parole date, or whose parole release date is not set at the meeting which takes place one year prior to the prisoner's minimum eligible parole date, or whose parole date has been rescinded shall be notified of his or her right to request a rehearing by the board. Such rehearing shall be held within 60 days of such request. At the rehearing and at any subsequent hearings for the purpose of setting or advancing a parole date, the inmate shall be entitled to be represented by counsel and the provisions of Section 3041.5 shall apply.

SEC. 48. Section 3042 of the Penal Code is amended to read:

3042. (a) At least 30 days before the Community Release Board shall meet to review or consider the parole suitability or the setting or advancing of a parole date for any prisoner sentenced to a life sentence, the board shall send written notice thereof to each of the following persons: the judge of the superior court before whom the prisoner was tried and convicted, the attorney for the defendant, the district attorney of the county from which the prisoner was sentenced, and the law enforcement agency that investigated the case.

(b) The Community Release Board shall record all such hearings and transcribe such recordings within 30 days of any such hearing. All such transcripts, including the transcripts of all such prior hearings, shall be filed and maintained in the office of the Community Release Board and shall be made available to the public no later than 30 days from the date of the hearing. No such prisoner shall actually be released on parole prior to 60 days from the date of the hearing.

(c) At any such hearing the presiding hearing officer must state findings and supporting reasons on the record.

(d) Any statements, recommendations, or other materials considered shall be incorporated into the transcript of any such hearing, unless such material is confidential in order to preserve institutional security and the security of others who might be endangered by disclosure.

SEC. 49. Section 3043 of the Penal Code is repealed.

SEC. 50. Section 3044 of the Penal Code is repealed.

SEC. 51. Section 3046 of the Penal Code is amended to read:

3046. No prisoner imprisoned under a life sentence may be paroled until he has served at least seven calendar years. The Community Release Board shall, in considering a parole for such prisoner, consider all statements and recommendations which may have been submitted by the judge, district attorney, and sheriff, pursuant to Section 1203.01, or in response to notices given under Section 3042, and recommendations of other persons interested in the granting or denying of such parole. The board shall enter on its order granting or denying parole to such prisoners, the fact that such statements and recommendations have been considered by it.

SEC. 52. Section 3050 of the Penal Code is repealed.

SEC. 53. Section 3052 of the Penal Code is amended to read:

3052. The Community Release Board shall have the power to establish and enforce rules and regulations under which prisoners committed to state prisons may be allowed to go upon parole outside the prison buildings and enclosures when eligible for parole.

SEC. 54. Section 3053 of the Penal Code is amended to read:

3053. The Community Release Board upon granting any parole to any prisoner may also impose on the parole such conditions as it may deem proper.

SEC. 55. Section 3053.5 of the Penal Code is amended to read:

3053.5. Upon granting parole to any prisoner convicted of any of the offenses enumerated in Section 290, the Community Release Board shall inquire into the question whether the defendant at the time the offense was committed was intoxicated or addicted to the excessive use of alcoholic liquor or beverages at that time or immediately prior thereto, and if it is found that the person was so intoxicated or so addicted, it shall impose as a condition of parole that such prisoner shall totally abstain from the use of alcoholic liquor or beverages.

SEC. 56. Section 3054 of the Penal Code is repealed.

SEC. 57. Section 3055 of the Penal Code is repealed.

SEC. 58. Section 3057 of the Penal Code is amended to read:

3057. Confinement pursuant to a revocation of parole in the absence of a new conviction and commitment to prison under other provisions of law, shall not exceed six months. Upon completion of confinement pursuant to parole revocation without a new commitment to prison, the inmate shall be released on parole for a period which shall not extend beyond that portion of the maximum statutory period of parole specified by Section 3000 which was unexpired at the time of each revocation.

SEC. 59. Section 3059 of the Penal Code is amended to read:

3059. If any paroled prisoner shall leave the state without permission of the Community Release Board, he shall be held as an escaped prisoner and arrested as such.

SEC. 60. Section 3060 of the Penal Code is amended to read:

3060. The Community Release Board shall have full power to suspend or revoke any parole, and to order returned to prison any prisoner upon parole. The written order of any member of the Community Release Board shall be a sufficient warrant for any peace or prison officer to return to actual custody any conditionally released or paroled prisoner.

SEC. 61. Section 3062 of the Penal Code is amended to read:

3062. The Governor of the state shall have like power to revoke the parole of any prisoner. The written authority of the Governor shall likewise be sufficient to authorize any peace officer to retake and return said prisoner to the state prison His written order revoking the parole shall have the same force and effect and be executed in like manner as the order of the Community Release Board.

SEC. 62. Section 3084 of the Penal Code is amended to read:

3084. Each county board may release to the State Department of Corrections for return to a state prison or correctional institution any county or city jail inmate who is a state parole violator, when notified by the Community Release Board.

SEC. 63. Article 4 (commencing with Section 3100) of Chapter 8 of Title 1 of Part 3 of the Penal Code is repealed.

SEC. 64. Section 4532 of the Penal Code is amended to read:

4532. (a) Every prisoner arrested and booked for, charged with, or convicted of a misdemeanor, and every person committed under the terms of Section 5654, 5656, or 5677 of the Welfare and Institutions Code as an inebriate, who is confined in any county or city jail or prison or industrial farm or industrial road camp or who is engaged on any county road or other county work or who is in the lawful custody of any officer or person, or who is employed or continuing in his regular educational program or authorized to secure employment or education away from the place of confinement, pursuant to the Work Furlough Rehabilitation Law (Section 1208), or who is authorized for temporary release for family emergencies or for purposes preparatory to his return to the community pursuant to Section 4018.6, and who thereafter escapes or attempts to escape from such county or city jail, prison, industrial farm or industrial road camp or from the custody of the officer or person in charge of him while engaged on or going to or returning from such county work or from the custody of any officer or person in whose lawful custody he is, is guilty of a felony and, if such escape or attempt to escape was not by force or violence, is punishable by imprisonment in the state prison for not exceeding one year and one day to be served consecutively, regardless of any prior convictions, or in the county jail not exceeding one year; provided, however, that if such escape or attempt to escape is by force or violence, such person is guilty of a felony and is punishable by imprisonment in the state prison for two, three, or four years to be served consecutively, or in the county jail not exceeding one year; provided, that when said second term of imprisonment is to be served in the county jail it shall commence from the time such prisoner would otherwise have been discharged from said jail.

The willful failure of a prisoner, whether convicted of a felony or a misdemeanor, employed or continuing in his regular educational program or authorized to secure employment or education pursuant to the Work Furlough Rehabilitation Law (Section 1208) or authorized for temporary release for family emergencies or for purposes preparatory to his return to the community pursuant to Section 4018.6, to return to the place of confinement not later than the expiration of a period during which, pursuant to that law, he is authorized to be away from such place of confinement, is an escape from such place of confinement punishable as provided in this subdivision.

A conviction of violation of this subdivision, not by force or

violence, shall not be charged as a prior felony conviction in any subsequent prosecution for a public offense.

(b) Every prisoner arrested and booked for, charged with, or convicted of a felony who is confined in any county or city jail or prison or industrial farm or industrial road camp or who is engaged on any county road or other county work or who is in the lawful custody of any officer or person, or who is confined pursuant to Section 4011.9, who escapes or attempts to escape from such county or city jail, prison, industrial farm or industrial road camp or from the custody of the officer or person in charge of him while engaged on or going to or returning from such county work or from the custody of any officer or person in whose lawful custody he is, or from such confinement pursuant to Section 4011.9, is guilty of a felony and, if such escape or attempt to escape was not by force or violence, is punishable by imprisonment in the state prison for 16 months, or two or three years to be served consecutively, or in the county jail not exceeding one year; provided, that if such escape or attempt to escape is by force or violence, such person is guilty of a felony and is punishable by imprisonment in the state prison for two, three or four years to be served consecutively, or in the county jail not exceeding one year; provided that when such second term of imprisonment is to be served in the county jail it shall commence from the time such prisoner would otherwise have been discharged from such jail.

SEC. 65. Section 4801 of the Penal Code is amended to read:

4801. The Community Release Board may report to the Governor from time to time the names of any and all persons imprisoned in any state prison who, in its judgment, ought to have a commutation of sentence or be pardoned and set at liberty on account of good conduct, or unusual term of sentence, or any other cause which, in their opinion, should entitle the prisoner to a pardon or commutation of sentence.

SEC. 66. Section 4802 of the Penal Code is amended to read.

4802. In the case of a person twice convicted of felony, the application for pardon or commutation of sentence shall be made directly to the Governor, who shall transmit all papers and documents relied upon in support of and in opposition to the application to the Community Release Board.

SEC. 67. Section 4803 of the Penal Code is amended to read:

4803. When an application is made to the Governor for pardon or commutation of sentence, or when an application has been referred to the Community Release Board, he or it may require the judge of the court before which the conviction was had, or the district attorney by whom the action was prosecuted, to furnish him or it, without delay, with a summarized statement of the facts proved on the trial, and of any other facts having reference to the propriety of granting or refusing said application, together with his recommendation for or against the granting of the same and his reason for such recommendation.

SEC. 68. Section 4810 of the Penal Code is amended to read:

4810. (a) The Community Release Board shall succeed to and shall exercise and perform all powers and duties granted to and imposed upon the Advisory Pardon Board by law.

(b) The Advisory Pardon Board is abolished.

(c) The report required of the Community Release Board by Section 4814 may be included in the report of the department.

SEC. 69. Section 4812 of the Penal Code is amended to read:

4812. Upon request of the Governor the Community Release Board shall investigate and report on all applications for reprieves, pardons and commutation of sentence and shall make such recommendations to the Governor with reference thereto as to it may seem advisable. To that end the board shall examine and consider all applications so referred and all transcripts of judicial proceedings and all affidavits or other documents submitted in connection therewith, and shall have power to employ assistants and take testimony and to examine witnesses under oath and to do any and all things necessary to make a full and complete investigation of and concerning all applications referred to it Members of the board and its administrative officer are, and each of them is, hereby authorized to administer oaths.

SEC. 70. Section 4813 of the Penal Code is amended to read:

4813. In the case of applications of persons twice convicted of felony, the Community Release Board, after investigation, shall transmit its written recommendation upon such application to the Governor, together with all papers filed in connection with the application.

SEC. 71. Section 4814 of the Penal Code is amended to read:

4814. The Community Release Board shall, on or before the first day of December of each even-numbered year, report to the Governor upon the status and history of matters under its consideration, together with an account of expenditures and such suggestions pertinent to its duties as may appear to be necessary and expedient.

SEC. 72. Section 4850 of the Penal Code is amended to read:

4850. No application which has not received a recommendation from the Community Release Board favorable to the applicant shall be forwarded to the Clerk of the Supreme Court, unless the Governor, notwithstanding the fact that the board has failed to make a recommendation favorable to the applicant, especially refers an application to the justices for their recommendation.

SEC. 73. Section 4851 of the Penal Code is amended to read:

4851. In all cases where the Community Release Board has made a recommendation favorable to the applicant and in those cases referred by the Governor, notwithstanding an adverse recommendation, the application, together with all papers and documents relied upon in support of and in opposition to said application, including prison records and recommendation of the authority, shall be forwarded to the Clerk of the Supreme Court for

consideration of the justices.

SEC. 74. Section 4852.14 of the Penal Code is amended to read:

4852.14. The clerk of the court shall immediately transmit certified copies of the certificate of rehabilitation to the Governor, to the Community Release Board and the Department of Justice, and, in the case of persons twice convicted of a felony, to the Supreme Court.

SEC. 75. Section 4852.18 of the Penal Code is amended to read:

4852.18. The Community Release Board shall furnish to the county clerk of each county a set of sample forms for a petition for certificate of rehabilitation and pardon, a notice of filing of petition for certificate of rehabilitation and pardon, and a certificate of rehabilitation. The county clerk shall have a sufficient number of these forms printed to meet the needs of the people of his county, and he shall make these forms available at no charge to persons requesting them.

SEC. 76. Section 5000 of the Penal Code is amended to read:

5000. There is in the Health and Welfare Agency the Department of Corrections.

SEC. 77. Section 5001 of the Penal Code is amended to read:

5001. The department is composed of the Director of Corrections, the Community Release Board, and the Correctional Industries Commission.

SEC. 78. Section 5002 of the Penal Code is amended to read:

5002. (a) The department shall succeed to and is hereby vested with all of the powers and duties exercised and performed by the following departments, boards, bureaus, commissions and officers when such powers and duties are not otherwise vested by law:

(1) The Department of Penology.

(2) The State Board of Prison Directors.

(3) The Board of Prison Terms and Paroles.

(4) The Advisory Pardon Board.

(5) The Bureau of Paroles.

(6) The warden and the clerk of the California State Prison at San Quentin.

(7) The warden and the clerk of the California State Prison at Folsom.

(8) The warden or superintendent of and the clerk of the California Institution for Men.

(9) The California Crime Commission.

(b) Whenever any designation of any of the departments, boards, bureaus, commissions or officers mentioned in subdivision (a) is contained in any provision of law and such designation is expressly made to refer to the Department of Corrections, the Board of Corrections or the Community Release Board, then the Department of Corrections, the Board of Corrections or the Community Release Board, to whichever one the designation is made to refer, shall exercise the power or perform the duty heretofore exercised or performed by the particular departments, boards, bureaus, or

officers mentioned in subdivision (a).

(c) The powers and duties of the State Board of Prison Directors and of the clerks of the state prisons and the California Institution for Men are transferred to and shall be exercised and performed by the Department of Corrections, except as may be otherwise expressly provided by law.

(d) The powers and duties of wardens of the state prisons and the California Institution for Men, presently or hereafter, expressly vested by law in them shall be exercised by them but such exercise shall be subject to the supervision and control of the Director of Corrections. All powers and duties not expressly vested in the wardens are transferred to and shall be exercised and performed by the Department of Corrections. When the designation of warden is expressly made to refer to the Department of Corrections, the department shall exercise the power and perform the duty heretofore exercised or performed by the warden.

(e) The powers and duties of the Advisory Pardon Board and the Board of Prison Terms and Paroles are transferred to and shall be exercised and performed by the Community Release Board, except as may be otherwise expressly provided by law.

SEC. 79. Section 5003.5 of the Penal Code is amended to read:

5003.5. The Community Release Board is empowered to advise and recommend to the Director of Corrections on general and specific policies and procedures relating to the duties and functions of the director. The director is empowered to advise and recommend to the Community Release Board on matters of general and specific policies and procedures, relating to the duties and functions of the board. The director and the board shall meet for purposes of exchange of information and advice.

It is the intention of the Legislature that the Community Release Board and the Director of Corrections shall cooperate with each other in the establishment of the classification, transfer, and discipline policies of the Department of Corrections, to the end that the objectives of the State Correctional System can best be attained. The director and the Community Release Board shall, not less than four times each calendar year, meet for the purpose of discussion of classification, transfer, and discipline policies and problems and it is the intent of the Legislature that whenever possible there shall be agreement on these subjects. But for the purpose of maintaining responsibility for the secure and orderly administration of the prison system, the Director of Corrections shall have the final right to determine the policies on classification, transfer and discipline.

In the event there is no agreement the Community Release Board shall file in writing with the Board of Corrections a statement of its proposals or recommendations to the director, and the director shall answer such statement in writing to the Community Release Board, and a copy of both documents shall be transmitted to the Governor and to the Board of Corrections.

SEC. 80. Section 5011 of the Penal Code is amended to read:

5011. (a) The Department of Corrections shall not require, as a condition for any form of treatment or custody that the department offers, an admission of guilt to any crime for which an inmate was committed to the custody of the department.

(b) The Community Release Board shall not require, when setting parole dates, an admission of guilt to any crime for which an inmate was committed.

SEC. 81. Section 5055 of the Penal Code is amended to read:

5055. All powers and duties granted to and imposed upon the Department of Corrections shall be exercised by the Director of Corrections, except where such powers and duties are expressly vested by law in the Community Release Board.

Whenever a power is granted to the Director of Corrections or a duty is imposed upon the director, the power may be exercised or the duty performed by a deputy of the director or by a person authorized pursuant to law by the director.

SEC. 82. Section 5068 of the Penal Code is amended to read:

5068. The Director of Corrections shall cause each person committed to a state prison to be examined and studied. This includes the investigation of all pertinent circumstances of his life and the antecedents of the violation of law because of which he has been committed to prison. Any person may be reexamined to determine whether existing orders and dispositions should be modified or continued in force.

Upon the basis of the examination and study, the Director of Corrections shall classify prisoners and determine the prison in which the prisoners shall be confined.

When diagnostic study of any inmate committed under subdivision (b) of Section 1168 so indicates, the director shall cause a psychiatric or psychological report to be prepared for the Community Release Board prior to release of such inmate.

Before the release of any inmate committed under subdivision (b) of Section 1168, the director shall provide the Community Release Board with a written evaluation of the prisoner.

SEC. 83. Section 5076.1 of the Penal Code is amended to read:

5076.1. The board shall meet at each of the state prisons at such times as may be necessary for a full and complete study of the cases of all prisoners whose applications for parole come before it. Other times and places of meeting may also be fixed by the board. Each member of the board shall receive his actual necessary traveling expenses incurred in the performance of his official duties. Where the board performs its functions by meeting en banc in either public or executive sessions to decide matters of general policy, at least five members shall be present, and no such action shall be valid unless it is concurred in by a majority vote of those present.

The board may meet and transact business in panels. Each panel shall consist of at least three persons. No action shall be valid unless concurred in by a majority vote of the persons present.

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imprisonment pursuant to subdivision (b) of Section 1168 shall be heard by a panel, a majority of whose members are members of the Community Release Board. A recommendation for recall of a sentence under subdivisions (c) and (f) of Section 1170 shall be made by a panel, a majority of whose members are members of the Community Release Board.

The board may employ representatives to whom it may assign appropriate duties, including that of hearing cases and making decisions. Such decisions shall be made in accordance with policies approved by a majority of the total membership of the board.

SEC. 84. Section 5076.2 of the Penal Code is amended to read:

5076.2. (a) Any rules and regulations, including any resolutions and policy statements, promulgated by the Community Release Board, shall be promulgated and filed pursuant to Chapter 4.5 (commencing with Section 11371) of Part 1 of Division 3 of Title 2 of the Government Code, and shall, to the extent practical, be stated in language that is easily understood by the general public.

(b) The Community Release Board shall maintain, publish and make available to the general public, a compendium of its rules and regulations, including any resolutions and policy statements, promulgated pursuant to this section.

(c) The following exceptions to the procedures specified in this section shall apply to the Community Release Board: (1) The required notice may be given at any time at least 20 days prior to the adoption, amendment, or repeal of a rule or regulation. (2) The chairman may specify an effective date that is any time more than 30 days after the rule or regulation is submitted to the Office of Administrative Hearings; provided that (i) it has been filed with the Secretary of State by the effective date and (ii) no less than 20 days prior to such effective date, copies of the rule or regulation shall be posted in conspicuous places throughout each institution and shall be mailed to all persons or organizations who request them.

SEC. 85. Section 5082 of the Penal Code is amended to read:

5082. (a) Such employees of the Community Release Board as are needed to carry out its functions shall be selected and appointed pursuant to the State Civil Service Act. Nothing shall prohibit the Community Release Board from employing any person employed formerly by the Adult Authority or Women's Board of Terms and Paroles.

(b) The provisions of Chapter 6 (commencing with Section 6050) of this title, relating to the employment of personnel by the department, do not apply to the employees of the Community Release Board.

SEC. 86. Section 5089 of the Penal Code is amended to read:

5089. The Community Release Board may designate a representative who shall be notified of the time and place of meetings of the Correctional Industries Commission, and may attend such meetings and participate in the deliberations of the commission, but shall have no vote.

SEC. 87. Section 6053 of the Penal Code is amended to read:

6053. (a) All persons other than temporary appointees heretofore serving in the state civil service and engaged in the performance of a function transferred to the department or engaged in the administration of a law, the administration of which is transferred to the department, shall remain in the state civil service and are hereby transferred to the department on the effective date of this section, and their status, positions and rights shall not be affected by their transfer and shall continue to be retained by them pursuant to the State Civil Service Act. The director, pursuant to the State Civil Service Act, shall be the appointing authority for the department for all civil service positions except those civil service positions in the Youth Authority. Positions not heretofore established, which are exclusively for the California Institution for Women or exclusively for the Youth Authority, shall be filled pursuant to the State Civil Service Act.

(b) Notwithstanding Section 18932 of the Government Code, the maximum age shall be 35 years for any open examination for the position of correctional officer, correctional program supervisor, and other custodial positions which normally afford entry into the Department of Corrections service, unless the applicant is already a "state safety" member for the purpose of retirement and disability benefits or was employed in a permanent, temporary, part-time, or intermittent capacity with the department after July 1, 1973, but before January 1, 1974.

SEC. 88. Section 6081 of the Penal Code is amended to read:

6081. As used in this code, "prison" and "state prison" include the California Institution for Women.

SEC. 89. Section 11193 of the Penal Code is amended to read:

11193. Any inmate sentenced under California law who is imprisoned in another state, pursuant to a compact, shall be entitled to all hearings, within 120 days of the time and under the same standards, which are normally accorded to persons similarly sentenced who are confined in institutions in this state. If the inmate consents in writing, such hearings may be conducted by the corresponding agencies or officials of such other jurisdiction. The Community Release Board or its duly authorized representative is hereby authorized and directed to hold such hearings as may be requested by such other jurisdiction or the inmate pursuant to this section or to Article IV(f) of the Interstate Corrections Compact or of the Western Interstate Corrections Compact.

SEC. 90. Section 11194 of the Penal Code is amended to read:

11194 The Director of Corrections is hereby empowered to enter into such contracts on behalf of this state as may be appropriate to implement the participation of this state in the Interstate Corrections Compact and the Western Interstate Corrections Compact pursuant to Article III thereof. No such contract shall be of any force or effect until approved by the Director of General Services Such contracts may authorize confinement of inmates in, or

transfer of inmates from, only such institutions in this state as are under the jurisdiction of the Department of Corrections, and no such contract may provide for transfer out of this state of any person committed to the custody of the Director of the Youth Authority. No such contract may authorize the confinement of an inmate, who is in the custody of the Director of Corrections, in an institution of a state other than a state that is a party to the Interstate Corrections Compact or to the Western Interstate Corrections Compact. The Director of Corrections, subject to the approval of the Community Release Board, must first determine, on the basis of an inspection made by his direction, that such institution of another state is a suitable place for confinement of prisoners committed to his custody before entering into a contract permitting such confinement, and shall, at least annually, redetermine the suitability of such confinement. In determining the suitability of such institution of another state, the director shall assure himself that such institution maintains standards of care and discipline not incompatible with those of the State of California and that all inmates therein are treated equitably, regardless of race, religion, color, creed or national origin.

SEC. 91. Section 12022 of the Penal Code is amended to read:

12022. (a) Any person who is armed with a firearm in the commission or attempted commission of a felony shall, upon conviction of such felony or attempted felony, in addition and consecutive to the punishment prescribed for the felony or attempted felony of which he has been convicted, be punished by an additional term of one year, unless such arming is an element of the offense of which he was convicted. This additional term shall apply to any person who is a principal in the commission or attempted commission of a felony if one or more of the principals is armed with a firearm, whether or not such person is personally armed with a firearm.

(b) Any person who personally uses a deadly or dangerous weapon in the commission or attempted commission of a felony shall, upon conviction of such felony or attempted felony, in addition and consecutive to the punishment prescribed for the felony or attempted felony of which he has been convicted, be punished by an additional term of one year, unless use of a deadly or dangerous weapon is an element of the offense of which he was convicted.

SEC. 92. Section 12022.5 of the Penal Code is amended to read:

12022.5. Any person who personally uses a firearm in the commission or attempted commission of a felony shall, upon conviction of such felony or attempted felony, in addition and consecutive to the punishment prescribed for the felony or attempted felony of which he has been convicted, be punished by an additional term of two years, unless use of a firearm is an element of the offense of which he was convicted.

The additional term provided by this section may be imposed in cases of assault with a deadly weapon under Section 245.

SEC. 93. Section 12022.6 of the Penal Code is amended to read:

12022.6. Any person who takes, damages or destroys any property in the commission or attempted commission of a felony, with the intent to cause such taking, damage or destruction, and the loss exceeds:

(a) Twenty-five thousand dollars ($25,000), the court shall in addition and consecutive to the punishment prescribed for the felony or attempted felony of which the defendant has been convicted impose an additional term of one year.

(b) One hundred thousand dollars ($100,000), the court shall in addition and consecutive to the punishment prescribed for the felony or attempted felony of which the defendant has been convicted impose an additional term of two years.

The additional terms provided in this section shall not be imposed unless the facts of the taking, damage, or destruction in excess of the amounts provided in this section are charged in the accusatory pleading and admitted or found to be true by the trier of fact.

SEC. 94. Section 12022.7 of the Penal Code is amended to read:

12022.7. Any person who, with the intent to inflict such injury, personally inflicts great bodily injury on any person other than an accomplice in the commission or attempted commission of a felony shall, in addition and consecutive to the punishment prescribed for the felony or attempted felony of which he has been convicted, be punished by an additional term of three years, unless infliction of great bodily injury is an element of the offense of which he is convicted.

As used in this section, great bodily injury means a significant or substantial physical injury.

This section shall not apply to murder, manslaughter, assault with a deadly weapon or assault by means of force likely to produce great bodily injury under Section 245. The additional term provided in this section shall not be imposed unless the fact of great bodily injury is charged in the accusatory pleading and admitted or found to be true by the trier of fact.

SEC. 95. Section 11483 of the Welfare and Institutions Code is amended to read:

11483. Whenever any person has, by means of false statement or representation or by impersonation or other fraudulent device, obtained aid for a child not in fact entitled thereto, the person obtaining such aid shall be punished as follows:

(1) If the amount obtained or retained is two hundred dollars ($200) or less, by imprisonment in the county jail for a period of not more than six months, a fine of not more than five hundred dollars ($500), or by both such imprisonment and fine.

(2) If the amount obtained or retained is more than two hundred dollars ($200), by imprisonment in the state prison, or by imprisonment in the county jail for not more than one year.

All actions necessary to secure restitution shall be brought against persons in violation of this section as provided in Sections 12250 and 12850.

SEC. 97. Nothing in Section 11555 or 11556 of the Government Code, as amended by this act, shall prevent the application of any provision of law providing for a salary other than specified in such sections.

SEC. 97.5. It is the intent of the Legislature, if this bill and Senate Bill No. 155 are both chaptered and become effective on or before January 1, 1978, both bills amend Section 1672 of the Military and Veterans Code, and this bill is chaptered after Senate Bill No. 155, that Section 1672 of the Military and Veterans Code, as amended by Section 1 of Senate Bill No. 155 be further amended on the operative date of this act in the form set forth in Section 3.7 of this act to incorporate the changes in Section 1672 of the Military and Veterans Code proposed by this bill. Therefore, Section 3.7 of this act shall become operative only if this bill and Senate Bill No. 155 are both chaptered and become effective on or before January 1, 1978, both bills amend Section 1672 of the Military and Veterans Code, and this bill is chaptered after Senate Bill No. 155, in which case Section 3.7 of this act shall become operative on the operative date of this act and Section 3.8 of this act shall not become operative.

SEC. 98. This act shall become operative July 1, 1977.

SEC. 99. The sum of nine million five hundred eighty-three thousand two hundred dollars ($9,583,200) is hereby appropriated from the General Fund to the Director of Finance to be allocated for the purposes of implementing the Uniform Determinate Sentencing Act of 1976 (Chapter 1139, Statutes of 1976), as amended by the Legislature at its 1977–78 Regular Session, in accordance with the following schedule:

(a) Seven million fourteen thousand six hundred dollars ($7,014,600) to the Department of Corrections for the 1977–78 fiscal year.

(b) Two million five hundred sixty-eight thousand six hundred dollars ($2,568,600) to the Community Release Board for the 1977–78 fiscal year.

SEC. 100. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

The Uniform Determinate Sentencing Act of 1976 becomes operative on July 1, 1977. This act makes substantial changes in the application of the Uniform Determinate Sentencing Act of 1976 to persons presently in prison and in the manner in which that act will operate in the future. In order to promote the uniform application of these provisions, this bill must be operative on July 1, 1977, and, therefore, must take effect immediately.

CHAPTER 166

An act to amend Sections 23302 and 23314 of, and to add Section 23301.5 to, the Elections Code, relating to elections.

[Approved by Governor June 29, 1977 Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 23301.5 is added to the Elections Code, to read:

23301.5. When local elections are to be consolidated and no specific procedure is specified for their consolidation, the procedure set forth in Section 23302 shall govern the consolidation, except that the governing body of the jurisdiction which receives a request for the consolidation, or an officer otherwise authorized by law, may order the consolidation.

SEC. 2. Section 23302 of the Elections Code is amended to read:

23302. Whenever an election called by a district, city or other political subdivision for the submission of any question, proposition, or office to be filled is to be consolidated with a statewide election, and such question, proposition, or office to be filled is to appear upon the same ballot as that provided for such statewide election, the district, city or other political subdivision shall, at least 74 days prior to the date of the election, file with the board of supervisors, and a copy with the county clerk, a resolution of its governing board requesting such consolidation and setting forth the exact form of any question, proposition, or office to be voted upon at such election, as the same is to appear on the ballot. The question or proposition to appear on the ballot shall conform to the provisions of this code governing the wording of propositions submitted to the voters at a statewide election. The resolution requesting the consolidation shall be adopted and filed at the same time as the adoption of the ordinance, resolution or order calling the election. The names of the candidates to appear upon the ballot where district, city, or other political subdivision offices are to be filled shall be filed with the county clerk no later than 67 days prior to the election.

SEC. 3. Section 23314 of the Elections Code is amended to read:

23314. Whenever an election is to be held on the same day as a statewide election, the election may be consolidated with the statewide election. If consolidated, the consolidated election shall be held and conducted, election officers appointed, voting precincts designated, candidates nominated, ballots printed, polls opened and closed, ballots counted and returned, returns canvassed, results declared, certificates of election issued, and all other proceedings incidental to and connected with the election shall be regulated and done, in accordance with the provisions of the law regulating the statewide election.

The precincts used at the consolidated election shall be those used for statewide elections, and, where necessary, the county clerk may adjust precinct lines to coincide with the boundaries of the particular jurisdiction.

CHAPTER 167

An act to amend Section 10213 of the Elections Code, relating to elections.

[Approved by Governor June 29, 1977. Filed with Secretary of State June 29, 1977.]

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

SECTION 1. Section 10213 of the Elections Code is amended to read:

10213. The order of precedence of offices on the ballot shall be as listed below for those offices and measures which apply to the election for which this ballot is provided. Beginning in the column to the left:

(a) Under the heading, PRESIDENT AND VICE PRESIDENT:

(1) Nominees of the qualified political parties for President and Vice President.

(b) Under the heading, DELEGATES TO NATIONAL CONVENTION:

(1) Names of the presidential candidates to whom the delegates are pledged.

(2) Names of chairmen of unpledged delegations.

(c) Under the heading, STATE:

(1) Governor

(2) Lieutenant Governor

(3) Secretary of State

(4) Controller

(5) Treasurer

(6) Attorney General

(7) Member, State Board of Equalization

(d) Under the heading, CONGRESSIONAL:

(1) United States Senator

(2) Representative in Congress

(e) Under the heading, STATE LEGISLATURE:

(1) State Senator

(2) Member of the Assembly

(f) Under the heading, COUNTY COMMITTEE: Members of County Central Committee

(g) Under the heading, JUDICIAL:

(1) Chief Justice of California

(2) Associate Justice of the Supreme Court

(3) Presiding Justice, Court of Appeal
(4) Associate Justice, Court of Appeal
(5) Judge of the Superior Court
(6) Judge of the Municipal Court
(7) Judge of the Justice Court
(8) Marshal
(9) Constable
(h) Under the heading, SCHOOL:
(1) State Superintendent of Public Instruction
(2) County Superintendent of Schools
(3) County Board of Education Members
(4) College District Governing Board Members
(5) Unified District Governing Board Members
(6) High School District Governing Board Members
(7) Elementary District Governing Board Members
(i) Under the heading, COUNTY:
(1) County Supervisor
(2) Other offices in alphabetical order by the title of the office
(j) Under the heading, CITY:
(1) Mayor
(2) Member, City Council
(3) Other offices in alphabetical order by the title of the office.
(k) Under the heading, DISTRICT:

Directors or trustees for each district in alphabetical order according to the name of the district.

(*l*) Under the heading, MEASURES SUBMITTED TO VOTE OF VOTERS and the appropriate heading from subdivisions (a) through (k), above, ballot measures in the order, state through district shown above, and within each jurisdiction, in the order prescribed by the official certifying them for the ballot.

In order to allow for the most efficient use of space on the ballot in counties which use a voting system, as defined in Section 15009, the county clerk may vary the order of subdivisions (h), (i), (j), and (k) as well as the order of offices within these subdivisions; provided, however, that the office of State Superintendent of Public Instruction shall always precede any school, county or city office.

CHAPTER 168

An act to repeal and add Section 14999.10 of the Government Code, relating to the Commission for Economic Development, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 29, 1977 Filed with Secretary of State June 29, 1977]

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

SECTION 1. Section 14999.10 of the Government Code is repealed.

SEC. 2. Section 14999.10 is added to the Government Code, to read:

14999.10. The Legislature finds and declares that the Commission for Economic Development is solely an advisory body to the Legislature, to the Governor, and to state departments, offices, and agencies, and that the duties and functions given the commission are part of, or incidental to, its work as an advisory body.

The Legislature further finds and declares that no person shall, by virtue of his or her membership on the commission, be deemed or held to be an officer of the State of California.

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

Unemployment remains at extremely high levels in California, necessitating positive actions by government to stimulate business growth and expansion. The Commission for Economic Development provides an important legislative-private sector forum for research and discussion on problems central to building and maintaining full employment.

CHAPTER 169

An act to amend Sections 8557 and 8558 of the Government Code, relating to energy emergencies, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 29, 1977 Filed with Secretary of State June 30, 1977.]

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

SECTION 1. Section 8557 of the Government Code is amended to read:

8557. (a) "Emergency Council" means the California Emergency Council.

(b) "State agency" means any department, division, independent establishment, or agency of the executive branch of the state government.

(c) "Political subdivision" includes any city, city and county, county, district, or other local governmental agency or public agency authorized by law.

(d) "Governing body" means the legislative body, trustees, or directors of a political subdivision.

(e) "Chief executive" means that individual authorized by law to act for the governing body of a political subdivision.

(f) "Disaster council" and "disaster service worker" have the meaning prescribed in Chapter 1 (commencing with Section 3201)

of Part 1 of Division 4 of the Labor Code

(g) "Public facility" means any facility of the state or a political subdivision, which facility is owned, operated, or maintained, or any combination thereof, through moneys derived by taxation or assessment.

(h) "Sudden and severe energy shortage" means a rapid, unforeseen shortage of energy, resulting from, but not limited to, events such as an embargo, sabotage, or natural disasters, and which has statewide, regional, or local impact.

SEC. 2. Section 8558 of the Government Code is amended to read:

8558. Three conditions or degrees of emergency are established by this chapter:

(a) "State of war emergency" means the condition which exists immediately, with or without a proclamation thereof by the Governor, whenever this state or nation is attacked by an enemy of the United States, or upon receipt by the state of a warning from the federal government indicating that such an enemy attack is probable or imminent.

(b) "State of emergency" means the duly proclaimed existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by such conditions as air pollution, fire, flood, storm, epidemic, riot, sudden and severe energy shortage, or earthquake or other conditions, other than conditions resulting from a labor controversy or conditions causing a "state of war emergency," which conditions, by reason of their magnitude, are or are likely to be beyond the control of the services, personnel, equipment, and facilities of any single county, city and county, or city and require the combined forces of a mutual aid region or regions to combat, or with respect to regulated energy utilities, a sudden and severe energy shortage requires extraordinary measures beyond the authority vested in the California Public Utilities Commission.

(c) "Local emergency" means the duly proclaimed existence of conditions of disaster or of extreme peril to the safety of persons and property within the territorial limits of a county, city and county, or city, caused by such conditions as air pollution, fire, flood, storm, epidemic, riot, sudden and severe energy shortage, or earthquake or other conditions, other than conditions resulting from a labor controversy, which conditions are or are likely to be beyond the control of the services, personnel, equipment, and facilities of that political subdivision and require the combined forces of other political subdivisions to combat, or with respect to regulated energy utilities, a sudden and severe energy shortage requires extraordinary measures beyond the authority vested in the California Public Utilities Commission.

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

Energy emergencies may occur in this state during the summer of 1977 due to the unfavorable hydroelectric situation resulting from conditions of drought. In order to provide a means to deal with such an emergency situation, it is necessary that this act become effective immediately.

CHAPTER 170

An act to amend Section 69271 of the Education Code, relating to family physician training, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977]

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

SECTION 1. Section 69271 of the Education Code is amended to read:

69271. The term "family physician" as used in this chapter means a primary care physician who is prepared to and renders continued comprehensive and preventative health care services to families and who has received specialized training in an approved family practice residency for three years after graduation from an accredited medical school.

The terms "associated" and "affiliated," as used in this chapter, mean that relationship that exists by virtue of a formal written agreement between a hospital or other health care delivery system and an approved medical school which pertains to the family practice training program for which state contract funds are sought. This definition shall include such agreements which may be entered into subsequent to the effective date of this chapter as well as those relevant agreements which are in existence prior to the effective date of this chapter.

The term "commission," as used in this chapter, shall mean the Health Manpower Policy Commission.

The term "programs which train primary care physician's assistants" as used in this chapter shall mean a program which has been approved for the training of primary care physician's assistants pursuant to Section 3513 of the Business and Professions Code.

The term "programs which train primary care nurse practitioners" as used in this chapter shall mean a program which is operated by a California school of medicine or nursing, or which is authorized by the Regents of the University of California or by the Trustees of the California State University and Colleges, or which is approved by the Board of Registered Nursing.

SEC. 2. Notwithstanding any restriction on appropriation made pursuant to Section 3 of Chapter 1176 of the Statutes of 1973, that sum

of money which was appropriated for the 1975-76 fiscal year pursuant to subdivision (a) of Section 3 of Chapter 1176 of the Statutes of 1973 and which remains unexpended, is hereby appropriated and shall be made available for expenditure in the 1976-77, 1977-78, 1978-79, 1979-80, and 1980-81 fiscal years by the Department of Health for the purposes of Chapter 1 (commencing with Section 69270) of Part 42 of Division 5 of Title 3 of the Education Code.

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

In order that sufficient funds may be made available to insure the continued growth of the family physician, primary care physician's assistant, and primary care nurse practitioner training programs, and to help overcome the severe shortage of primary care physicians and medical personnel that is required to meet the health needs of the people of California, it is essential that this act take effect immediately.

CHAPTER 171

An act relating to property taxation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977]

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

SECTION 1. Lagoon Valley Park, a certain parcel of land located in a portion of Lot 37, Los Putos Rancho, also being a portion of projected Sections 30 and 31, Township 6 North, Range 2 West, Mount Diablo base and meridian, in the County of Solano, and all improvements thereto, is exempt from property taxation, as of the date of its acquisition on June 30, 1976. Any tax owing on such property on the effective date of this section shall be canceled pursuant to Chapter 4 (commencing with Section 4985) of Part 9 of Division 1 of the Revenue and Taxation Code, and any tax imposed on such property after June 30, 1976, if paid, shall be refunded pursuant to Chapter 5 (commencing with Section 5096) of such part.

SEC. 2. The Legislature finds that, in 1970, the City of Vacaville and the County of Solano entered into a joint powers agreement pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code to provide for the acquisition and development of parks for the benefit of the public. The City of Vacaville is a member of the Association of Bay Area Governments, while the County of Solano is not. Therefore, in order to facilitate financing for the project through the association, the city agreed to

hold bare legal title to the property and make all necessary applications for funding, and the county agreed to assume responsibility for the acquisition of land and for development of the project.

SEC. 3. The Legislature further finds that this arrangement of convenience does not give the City of Vacaville such an interest in property outside of its boundaries which has value for purposes of property taxation and that the acquisition of the Lagoon Valley Park is the equivalent of the acquisition of property by a local entity of government within the meaning of subdivision (b) of Section 4986 of the Revenue and Taxation Code

SEC. 4. The situation existing between the City of Vacaville and the County of Solano is unique, and a general statute could not be made applicable. Therefore, this special act is necessary to resolve the problem in this singular situation

SEC 5. Notwithstanding Section 2229 of the Revenue and Taxation Code, there shall be no reimbursement made to local governments by reason of this clarifying legislation, since this act was enacted at the request of local government.

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

The problem arising in Solano County concerning the proper tax status of Lagoon Valley Park is in need of resolution at the earliest possible time in order that this worthwhile project may continue to be developed. Therefore, it is necessary for this act to take effect immediately.

CHAPTER 172

An act to amend Sections 270, 272, 501, and 531 of, and to add Section 692.1 to, the Financial Code, relating to banks, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977]

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

SECTION 1. Section 270 of the Financial Code is amended to read.

270. The superintendent shall annually collect pro rata from the banks and trust companies under the supervision of the department a fund in amount sufficient in his judgment to meet the expenses of the department and a reasonable reserve for contingencies.

The amount of the annual assessment for the fund on any bank or trust company shall not exceed the sum of the products of a base assessment rate, or fraction thereof, and segregated portions of its

total resources, according to the following table:

Segregated Total Resources (In Millions or Fractions Thereof)	Percentage of Base Assessment Rate
First $1	100.0
Next $9	12.5
Next $40	9.5
Next $50	6.0
Next $400	5.0
Next $500	4.5
Next $2,000	4.0
Next $7,000	3.4
Next $10,000	3.2
Excess over $20,000	2.1

The base assessment rate shall be set by the superintendent from time to time at his discretion, not to exceed two dollars and twenty cents ($2.20) per one thousand dollars ($1,000) of total resources.

SEC. 2. Section 272 of the Financial Code is amended to read:

272. The superintendent in addition to the annual assessment shall collect from each bank authorized to engage in the trust business, and from each corporation doing a departmental business as a title insurance company and as a trust company, to defray the cost of examination, a fee not to exceed two hundred dollars ($200) per diem, for each examiner necessarily engaged in the examination of the trust company, trust business, or trust department. The superintendent shall assess the fee upon completion of the examination of the trust company, trust business, or trust department of the title insurance company.

SEC. 3. Section 501 of the Financial Code is amended to read:

501. The request for authority to establish a branch office shall be set forth in an application in such form and containing such information as the superintendent may require and shall be accompanied by an application fee of one thousand dollars ($1,000) for each new branch office.

SEC. 4. Section 531 of the Financial Code is amended to read:

531. An application to establish a foreign branch or branches shall specify the place or places where the same are proposed to be established and the banking operations proposed to be carried on and shall contain such other information as the superintendent may require. The superintendent in his discretion may approve or disapprove the application and may at any time require the discontinuance of any foreign branch office. An application to establish a foreign branch shall be accompanied by a fee of one thousand dollars ($1,000) for each foreign branch sought to be established.

SEC. 5. Section 692.1 is added to the Financial Code, to read:

692.1. The superintendent shall charge and collect fees for applications filed under this article as fixed in this section.

(a) The fee for a negotiating permit shall be fifty dollars ($50).

(b) The fee for a permit to exchange a security or to make any change in the rights, preferences, privileges, or restrictions of or on outstanding securities shall be fifty dollars ($50).

(c) The fee for any permit to sell securities other than as specified in subdivision (b) shall be one hundred dollars ($100) plus one-tenth of one percent (0.1%) of the aggregate value of the securities sought to be sold, up to a maximum aggregate fee of one thousand five hundred dollars ($1,500).

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

The present assessment schedule on the basis of which state banks pay for the cost of supervision has developed sharp differences between the actual cost of supervising different banks and the assessment which such banks must pay, and has created the danger of greater imbalance between the state banks and national banks operating within the state.

CHAPTER 173

An act to add Section 5546 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977]

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

SECTION 1. Section 5546 is added to the Revenue and Taxation Code, to read:

5546. Livestock shall be exempted from the tax imposed by this part for any period declared by the Governor, or by the President or a federal official at the request of the Governor, to be a drought emergency, commencing on the first day of the month immediately following such declaration, and such exemption shall apply with respect to declarations in effect on the effective date of this section.

Livestock shall not be exempted by this section with regard to any declaration of a drought emergency for any period exceeding 12 months, unless, at the end of a 12-month period during which such exemption applies, the Governor declares that such drought emergency still exists. If such declaration is made, such exemption shall be applied for the next 12-month period or until such drought emergency is declared not to exist.

This section shall apply only to livestock owned by an owner (1)

whose average gross income from farming in the taxable year and the immediately preceding two taxable years is at least 75 percent of the average total gross income from all sources for such years, (2) whose annual average net taxable income for the taxable year and the immediately preceding two taxable years does not exceed forty thousand dollars ($40,000), and (3) if such owner is a corporation or partnership, then, in addition to the above requirements, this section shall apply only if a majority interest in such corporation or partnership is held by stockholders or partners who themselves are primarily and directly engaged in agricultural production.

SEC. 2. Section 1 of this act shall have prospective application only, and shall be applied with respect to declarations in effect on the effective date of this section.

SEC. 3 The Controller shall report to the Legislature on the amount of the claims made by county auditors which are filed according to the procedure provided in subdivision (b) of Section 16113 of the Government Code for compensation for subventions lost by reason of the exemption provided by Section 1 of this act. Such report shall be made on or before the first day of October next following the operative date of this act, in order that the Legislature may appropriate funds for the reimbursement of local agencies for subventions lost by them pursuant to this act.

SEC. 4. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 174

An act to amend Section 84766 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, relating to community colleges, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977]

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

SECTION 1. Section 84766 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

84766. For purposes of Sections 84762, 84763, 84764, and 84765, unless otherwise specified, "total units of average daily attendance" means units of average daily attendance of students who are residents of the community college district, and "state apportionment" or "second principal apportionment" means the state aid calculated on the basis of these units of average daily attendance.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within

the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Chapter 991 of the Statutes of 1976 made, in a provision of law defining "total units of average daily attendance" for purposes of computing specified community college apportionments, an error which, if not rectified, on or before the second principal apportionment, would adversely affect a number of community college districts. Hence, in order to avoid such adverse effect as soon as possible and on or before the second principal apportionment, it is necessary that this act take effect immediately.

CHAPTER 175

An act to add Section 56039 to the Education Code, relating to special education, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977]

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

SECTION 1. Section 56039 is added to the Education Code, to read:

56039. A county superintendent of schools or a parent or guardian of a handicapped pupil who is authorized to receive services under this article may submit a written request to the Superintendent of Public Instruction for a waiver of the maximum class size requirements of Sections 56611, 56703, 56512, and 56517, subject to the condition that the only appropriate placement for the pupil is in a class offered by a private nonsectarian school which exceeds the maximum class size requirements. Once the request is received, the Superintendent of Public Instruction, after due consideration, may grant the request if he determines that no other educational placement that is reasonable is appropriate.

The request shall fully explain the justification for such waiver and may be granted only for the current school year in which it is submitted

In the case of handicapped pupils who were enrolled in private nonsectarian schools during the 1976–77 school year, the Superintendent of Public Instruction may grant a retroactive waiver of the maximum class size requirements commencing with the Fall term of that year for the purpose of making tuition payments which otherwise would have been authorized by this article if this section had been in effect.

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

In order that parents and guardians of handicapped pupils with unique learning problems may have the opportunity to enroll their children and wards in the best educational programs available, at the earliest possible time, it is essential that this act take immediate effect.

CHAPTER 176

An act to add Article 9 (commencing with Section 6048) to Chapter 9 of Part 1 of Division 4 of the Food and Agricultural Code, relating to Hydrilla control, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1977. Filed with Secretary of State June 30, 1977.]

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

SECTION 1. Article 9 (commencing with Section 6048) is added to Chapter 9 of Part 1 of Division 4 of the Food and Agricultural Code, to read:

Article 9. Hydrilla

6048. (a) The plant Hydrilla (Hydrilla verticillata) is a noxious weed not native to the State of California. An infestation of this serious pest weed has been found in California and threatens to spread in the waterways of the state. The Legislature hereby declares that the spread of this serious plant pest would be detrimental to the state, causing irreparable damage to the agricultural industry and recreational use of streams, lakes and waterways and further that the eradication of this plant pest is essential to the preservation of the environment. Unless eradicated, the pest will spread rapidly causing great damage. The director, in cooperation with federal, city, county, city and county, and other state agencies, shall take any steps necessary to accomplish the eradication of this pest.

(b) Expenditures for the purposes of subdivision (a) shall be coordinated with, and as a supplement to expenditures by the City of Marysville under the grant by the Environmental Protection Agency under Section 314 of the Federal Water Pollution Control Act Amendments of 1972 (Public Law 92-500).

SEC. 2. There is hereby appropriated from the General Fund in the State Treasury, the sum of nine hundred twenty-five thousand dollars ($925,000) to the Department of Food and Agriculture for expenditure, without regard to fiscal year, for purposes of carrying out the provisions of Article 9 (commencing with Section 6048) of Chapter 9 of Part 1 of Division 4 of the Food and Agricultural Code.

SEC. 3. This act is an urgency statute necessary for the immediate

preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Hydrilla is a serious pest which threatens the agricultural industry and the destruction of the waterways of the state. In order to prevent such destruction, it is necessary that the provisions of this act go into immediate effect.

CHAPTER 177

An act to amend Sections 17025, 22052, and 22900 of, to repeal Sections 22001 and 22901 of, and to add and repeal Sections 22900.1 and 22901.5 to, the Elections Code, relating to elections, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1977. Filed with Secretary of State June 30, 1977]

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

SECTION 1. Section 17025 of the Elections Code is amended to read·

17025. The sealed packages containing the lists, papers, and ballots shall be delivered by two of its members without delay, unopened, to the clerk or to a receiving station designated by the clerk.

SEC. 2. Section 22001 of the Elections Code is repealed.

SEC. 3. Section 22052 of the Elections Code is amended to read:

22052. The members of the precinct boards provided for in Sections 20050 and 20051 shall be appointed and shall act as provided in this chapter.

SEC. 4. Section 22900 of the Elections Code is amended to read:

22900. The city clerk shall have the necessary ballots printed and shall procure and furnish to the election officers the necessary supplies and equipment as specified in Sections 14005 and 14007. The clerk shall see that they are properly distributed to each precinct prior to the opening of the polls on the day of election.

SEC. 5. Section 22900.1 is added to the Elections Code, to read:

22900.1. The city clerk of a city and county shall have the necessary ballots printed and shall procure and furnish to the election officers the supplies and equipment as specified in Sections 14005 and 14007 and the original affidavits of registration or copies thereof. The clerk shall see that they are properly distributed to each precinct prior to the opening of the polls on the day of election.

SEC. 6. Section 22901 of the Elections Code is repealed.

SEC. 7. Section 22901.1 is added to the Elections Code, to read:

22901.1 At any municipal election conducted in a city and county, the original affidavits of registration, or copies thereof, shall be used.

SEC. 8. The provisions of Sections 5 and 7 of this act shall only be applicable to a city and county, and shall be operative only until January 1, 1978, and as of such date are repealed.

SEC. 9. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that the provisions of this act, clarifying the application of existing provisions of law, may become operative in connection with the conduct of municipal elections in 1977, it is necessary that this act take effect immediately.

CHAPTER 178

An act to add Section 181 to the Streets and Highways Code, relating to transportation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977]

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

SECTION 1. Section 181 is added to Article 5 (commencing with Section 182) of Chapter 1 of Division 1 of the Streets and Highways Code, immediately preceding Section 182, to read:

181. (a) The Transportation Revolving Account in the State Transportation Fund is hereby created. With the approval of the Department of Finance, there shall be transferred to, or deposited in, the account all money appropriated, contributed, or made available from any source, including sources other than state appropriations, for expenditure on work within the powers and duties of the Department of Transportation, including, but not limited to, services, surveys, reports, major and minor construction, maintenance, improvements, and equipment as authorized by the state agency for which such an appropriation is made or, as to funds from sources other than state appropriations, as may be authorized by written agreement between the contributor of such funds and the Department of Transportation when approved by the Department of Finance

(b) Money so transferred or deposited is continuously appropriated for expenditure by the Department of Transportation for the purposes for which appropriated, contributed, or made available without regard to fiscal years and Section 16304 of the Government Code The Department of Transportation may withdraw from the account for use in work for other public agencies, local, state, or federal, such sums as may be necessary for such work

where the money to be paid by such other agencies is not deposited in the account in advance of the work being done.

(c) The Department of Transportation shall file against the account all claims covering expenditures incurred, including expenditures incurred prior to the effective date of the act enacting this section, in connection with services, surveys, reports, major and minor construction, maintenance, improvements, and equipment, and the State Controller shall draw his warrant therefor against the account.

(d) The Department of Transportation shall keep a record of all expenditures chargeable against each specific portion of the account, and any unused balance in any portion of the account shall, on approval by the Department of Finance, be withdrawn from the account and transferred to the credit of the appropriation from which it was transferred or, as to funds from other than state appropriations, be paid out or refunded as provided in the agreement relating to the contribution.

(e) The Director of Transportation may authorize the refund of money received or collected by the department in payment of fees, licenses, permits, tolls, or for rentals, property, or services, wherein the license, permit, rental, property, or service cannot lawfully be issued, furnished, or transferred to the person making the payment, or in cases where the payment, in whole or in part, represents overpayment or payment in duplicate.

(f) The provisions of this section shall only be operative during those fiscal years in which funds in the State Highway Account in the State Transportation Fund are appropriated by the Budget Act for such fiscal years.

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

In order to ease the administration of the funds appropriated to the Department of Transportation by the Budget Act of 1977 as soon as possible during the 1977–78 fiscal year by the creation of the Transportation Revolving Account in the State Transportation Fund, it is necessary that this act take effect immediately.

CHAPTER 179

An act to amend Sections 6100, 8211, 8211.5, and 8211.8 of the Government Code, relating to notaries public and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977]

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

SECTION 1. Section 6100 of the Government Code is amended to read:

6100 Officers of the state, or of a county or judicial district, shall not perform any official services unless upon the payment of the fees prescribed by law for the performance of the services, except as provided in this chapter.

This section shall not be construed to prohibit any notary public, except a notary public whose fees are required by law to be remitted to the state or any other public agency, from performing notarial services without charging a fee

SEC. 2. Section 8211 of the Government Code is amended to read:

8211. If a fee is charged by a notary public, the fee shall be the fee prescribed in this section and in Sections 8211.5 and 8211.8. The fee of a notary public for taking an acknowledgment or proof of a deed, or other instrument, to include the seal and the writing of the certificate, is, for the first two signatures, two dollars ($2) each, and for each additional signature, one dollar ($1). The fee of a notary public for administering an oath or affirmation to one person and executing the jurat, including the seal, is two dollars ($2). The fee of a notary public, exclusive of signature verification, shall not exceed ten dollars ($10) per individual for each set for forms relating to a change of that individual's immigration status. This fee limitation shall apply whether the notary is acting in his capacity as a notary or not but shall not apply to an attorney, who is also a notary public, who is rendering professional services regarding immigration matters

SEC. 3. Section 8211.5 of the Government Code is amended to read:

8211.5. In the event a fee is charged, the fee of a notary public for all services rendered in connection with the taking of any deposition is the sum of five dollars ($5), and in addition thereto, the sum of one dollar ($1) for administering the oath to the witness and the sum of one dollar ($1) for the certificate to such deposition.

The fees herein provided for are exclusive of any fees for services rendered either by a notary public or another in connection with the reporting or transcription of depositions

For his services transcribing a deposition the reporter shall receive from the party purchasing the original seventy-five cents ($0.75) per 100 words, and for each copy made at the same time ten cents ($0.10) per 100 words; from all other parties purchasing the same the reporter shall receive for each copy made at the same time as the original twenty-five cents ($0.25) per 100 words for the first copy, and ten cents ($0.10) per 100 words for additional copies.

In any county having a population of 5,000,000 or over, for services in reporting a deposition, a reporter shall receive not less than thirty-five dollars ($35) for one-half day nor more than the fees of a reporter pro tempore in the superior court of the county. For services in transcribing a deposition, the reporter shall receive from the party purchasing the original and one copy not less than two

dollars ($2) per 28-line 8½- x 11-inch page, and, for each additional copy made at the same time or from all other parties purchasing a copy, the reporter shall receive not less than fifty cents ($0.50) per page.

If a deposition is transcribed, the reporter shall not receive the compensation provided in this section for reporting the deposition.

SEC. 4. Section 8211.8 of the Government Code is amended to read:

8211.8. Except as provided in Sections 8211 and 8211.5, in the event a fee is charged, the fees of a notary public are:

(a) For every protest for the nonpayment of a promissory note or for the nonpayment or nonacceptance of a bill of exchange, draft, or check, two dollars ($2).

(b) For serving every notice of nonpayment of a promissory note or of nonpayment or nonacceptance of a bill of exchange, order, draft, or check, one dollar ($1).

(c) For recording every protest, one dollar ($1).

(d) For copying an affidavit, or other paper for which provision is not made herein, ten cents ($0.10) for each folio.

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

In order for the benefits of this act to be available in the shortest possible time, this act must take effect immediately.

CHAPTER 180

An act to amend Sections 5003.1 and 5285 of the Public Utilities Code, relating to public utilities, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1977. Filed with Secretary of State June 30, 1977]

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

SECTION 1. Section 5003.1 of the Public Utilities Code is amended to read:

5003.1. Every railroad corporation, express corporation, freight forwarder, and every person or corporation operating vessels, as these terms are defined in Part 1 (commencing with Section 201) of Division 1, and every motor transportation broker, as the term is defined in the Motor Transportation Brokers' Act, and every person or corporation owning or operating motor vehicles in the transportation of property for hire upon the public highways under the jurisdiction of the commission shall, between the first and fifteenth days of January, April, July, and October of each year, file

with the commission a statement showing the gross operating revenue derived by such person or corporation from the transportation of property for the preceding three calendar months, and shall at the time of filing such report pay to the commission a fee of ten dollars ($10) for each quarter. Every express corporation, freight forwarder, motor transportation broker, and every person or corporation owning or operating motor vehicles in the transportation of property for hire upon the public highways under the jurisdiction of the commission shall, at the time of filing such report, pay to the commission a fee equal to one-third of 1 percent of the amount of such gross operating revenue; provided, however, that for any particular fiscal year the commission, with the approval of the Department of Finance, may fix said fee at less than one-third of 1 percent of said amount.

SEC 2 Section 5285 of the Public Utilities Code is amended to read·

5285 The permit of any household goods carrier may, upon application of the holder thereof, be amended or revoked in whole or in part or may, upon complaint or on the commission's own initiative, after notice and opportunity to be heard, be suspended, changed or revoked, in whole or in part, for failure to comply with any provision of this chapter or with any lawful order, rule or regulation of the commission promulgated thereunder or with any term, condition, or limitation of such permit A household goods carrier which requests a hearing within 30 days after receiving the notice and opportunity to be heard shall be granted such a hearing. The right to operate under any household goods carrier permit may be suspended by the commission upon reasonable notice of not less than 15 days to the holder without hearing or other proceedings, for failure to comply, and until compliance, with the provisions of Section 5161 or with any lawful order, rule or regulation of the commission promulgated thereunder.

As an alternative to the cancellation, revocation, or suspension of an operating permit or permits, the commission may impose upon the holder of such permit or permits a fine of not exceeding five thousand dollars ($5,000) All fines collected shall be deposited at least once each month in the State Treasury to the credit of the General Fund.

SEC. 3 The sum of two million dollars ($2,000,000) is hereby appropriated from the General Fund to the Public Utilities Commission to be transferred to and in augmentation of Item 345 of the Budget Act of 1977 for the use and support of the Public Utilities Commission for the 1977–78 fiscal year beginning July 1, 1977, and ending June 30, 1978, upon allocation by the Department of Finance, provided that the Department of Finance shall report to the Joint Legislative Budget Committee on such allocations. Provided, further, that funds appropriated by this act shall be used solely for the purpose of reducing the time needed for processing utility rate applications.

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

An additional appropriation to the Public Utilities Commission's requested budget for the 1977–78 fiscal year is needed to implement, and shall be used solely for, the commission's pending regulations providing for reduction in time needed for processing utility rate applications.

CHAPTER 181

An act to amend Section 81837 of the Education Code, relating to community colleges.

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977]

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

SECTION 1. Section 81837 of the Education Code is amended to read·

81837. The governing board of each community college district, except districts governed by a city board of education, before letting any contract or contracts totaling twenty thousand dollars ($20,000) or more, for the erection of any new community college facility, or for any addition to, or alteration of, an existing community college facility, shall submit plans therefor to the chancellor's office, and obtain the written approval of the plans by the office. No contract for construction made by any governing board of a community college district contrary to the provisions of this section is valid, nor shall any public money be paid for erecting, adding to, or altering any facility in contravention of this section.

CHAPTER 182

An act to amend Section 7159 of the Business and Professions Code, relating to contractors.

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977]

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

SECTION 1. Section 7159 of the Business and Professions Code, as added by Section 2 of Chapter 1271 of the Statutes of 1976, is amended to read:

7159. This section shall apply only to home improvement contracts, as defined in Section 7151.2, between a contractor, whether a general contractor or a specialty contractor, who is licensed or subject to be licensed pursuant to this chapter with regard to such transaction and who contracts with an owner or tenant for work upon a building or structure for proposed repairing, remodeling, altering, converting, or modernizing such building or structure and where the aggregate contract price specified in one or more improvement contracts, including all labor, services, and materials to be furnished by the contractor, exceeds five hundred dollars ($500).

Every home improvement contract and any changes in the contract subject to the provisions of this section shall be evidenced by a writing and shall be signed by all the parties to the contract thereto. The writing shall contain the following:

(a) The name, address, and license number of the contractor, and the name and registration number of any salesman who solicited or negotiated the contract.

(b) The approximate dates when the work will begin and be substantially completed.

(c) A description of the work to be done and description of the materials to be used and the agreed consideration for the work.

(d) A schedule of payments showing the amount of each payment as a sum in dollars and cents.

(e) If the payment schedule contained in the contract provides for a downpayment to be paid to the contractor by the owner or the tenant before the commencement of work, such downpayment shall not exceed one hundred dollars ($100) or 1 percent of the contract price, whichever is the greater.

(f) In no event shall the payment schedule provide for the contractor to receive payment in excess of 100 percent of the value of the work performed on the project at any time, except that the contractor may receive an initial downpayment authorized by subdivision (e).

(g) The requirements of subdivisions (d), (e) and (f) pertaining to the payment schedule shall not apply when the contract provides for the contractor to furnish performance and payment bond, lien and completion bond, or a bond equivalent approved by the Registrar of Contractors covering 100 percent of the contract and such bonds are furnished by the contractor, or when the parties agree for full payment to be made upon satisfactory completion of the project.

The writing may also contain other matters agreed to by the parties to the contract.

The writing shall be legible and shall be in such form as to clearly describe any other document which is to be incorporated into the contract; and before any work is done, the owner shall be furnished a copy of the written agreement, signed by the contractor.

The provisions of this section are not exclusive and do not relieve the contractor or any contract subject to it from compliance with all

other applicable provisions of law.

A violation of this section by a licensee, or a person subject to be licensed, under this chapter, his agent, or salesman is a misdemeanor punishable by a fine of not less than one hundred dollars ($100) nor more than five thousand dollars ($5,000) or by imprisonment in the county jail not exceeding one year, or by both such fine and imprisonment.

This section shall become operative January 1, 1978.

CHAPTER 183

An act to amend Section 831 of the Penal Code, relating to custodial officers.

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977]

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

SECTION 1. Section 831 of the Penal Code is amended to read:

831. (a) A custodial officer is a public officer, not a peace officer, employed by a law enforcement agency of a city who has the authority and responsibility for maintaining custody of prisoners and performs tasks related to the operation of a local detention facility used for the detention of persons usually pending arraignment or upon court order either for their own safekeeping or for the specific purpose of serving a sentence therein.

(b) A custodial officer shall have no right to carry or possess firearms in the performance of his prescribed duties.

(c) Every person, prior to actual assignment as a custodial officer, shall have satisfactorily completed the Commission on Peace Officer Standards and Training courses specified in Section 832 and the Commission on Peace Officer Standards and Training course on jail operations.

(d) At any time 20 or more custodial officers are on duty, there shall be at least one peace officer, as described in Section 830.1, on duty at the same time to supervise the performance of the custodial officers.

(e) This section shall not be construed to confer any authority upon any custodial officer except while on duty.

(f) A custodial officer may use reasonable force in establishing and maintaining custody of persons delivered to him by a law enforcement officer; may make arrests for misdemeanors and felonies within the local detention facility pursuant to a duly issued warrant; may release without further criminal process persons arrested for intoxication; and may release misdemeanants on citation to appear in lieu of or after booking.

CHAPTER 184

An act to add Sections 1236 and 7153.4 to the Financial Code, relating to loans secured by stock of a cooperative housing corporation.

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977]

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

SECTION 1. Section 1236 is added to the Financial Code, to read:

1236. A commercial bank may lend on the security of a first security interest on stock or a membership certificate issued to a tenant-stockholder or resident-member by a completed fee simple cooperative housing corporation, as defined in Section 17265 of the Revenue and Taxation Code and Section 216 of the U.S. Internal Revenue Code, and the assignment by way of security of the borrower's interest in the proprietary lease or right of tenancy in property issued by such cooperative housing corporation, provided all of the real property owned by such corporation is located within the state, and further provided, that:

(a) The term of the loan does not exceed 30 years, is repayable in substantially equal installments (or such variation therefrom as may be authorized under a loan executed pursuant to Civil Code Section 1916.5), not less often than monthly, with payments commencing not later than 60 days from the date of the loan, and the amount does not exceed 80 percent of the sound market value of such certificates of stock or membership certificates; and

(b) The proprietary lease or right of tenancy in the property provides:

(1) That no sublease in excess of one year, amendment or modification to such proprietary lease or right of tenancy in the property shall be permitted or created without the lender's prior written consent, and

(2) That in the event of the borrower's default under such loan, the lender shall have the right, without the prior consent or approval of the cooperative housing corporation, to sell such shares or membership certificates at public or private sale following at least 30 days prior written notice to the borrower and to the cooperative housing corporation, at the address of the premises subject to the proprietary lease or right of tenancy in the property, and assign such proprietary lease or right of tenancy in the property to the purchaser who shall agree as a condition of such assignment to cure any defaults thereunder.

For all purposes of this division, such loan shall be considered a secured residential real estate loan and shall be subject to rules and regulations implementing the provisions of this section issued by the superintendent.

SEC. 2. Section 7153.4 is added to the Financial Code, to read:

7153.4. An association may lend on the security of a first security interest on stock or a membership certificate issued to a tenant-stockholder or resident-member by a completed fee simple cooperative housing corporation, as defined in Section 17265 of the Revenue and Taxation Code and Section 216 of the U.S. Internal Revenue Code, and the assignment by way of security of the borrower's interest in the proprietary lease or right of tenancy in property covered by such cooperative housing corporation, provided all of the real property owned by such corporation is located within the state, and further provided that:

(a) The term of the loan does not exceed 30 years, is repayable in substantially equal installments (or such variation therefrom as may be authorized under a loan executed pursuant to Civil Code Section 1916.5), not less often than monthly, with payments commencing not later than 60 days from the date of the loan, and the amount does not exceed 80 percent of the sound market value of such certificates of stock or membership certificates; and

(b) The proprietary lease or right of tenancy in the property provides:

(1) That no sublease in excess of one year, amendment or modification to such proprietary lease or right of tenancy in the property shall be permitted or created without the lender's prior written consent, and

(2) That in the event of the borrower's default under such loan, the lender shall have the right, without prior consent or approval of the cooperative housing corporation, to sell such shares or membership certificates at public or private sale following at least 30 days prior written notice to the borrower and to the cooperative housing corporation, at the address of the premises subject to the proprietary lease or right of tenancy in the property, and assign such proprietary lease or right of tenancy in the property to the purchaser who shall agree as a condition of such assignment to cure any defaults thereunder.

For all purposes of this division, such loan shall be considered a secured residential real estate loan and shall be subject to rules and regulations implementing the provisions of this section issued by the commissioner.

No loan on the security of stock or membership certificates in a cooperative housing corporation shall be made under the sole authority of this section if the aggregate principal amount of all loans by the association on the security of the cooperative housing project, any part thereof, or any stock or membership certificates therein, would exceed an amount equal to 1 percent of the association's assets, unless (1) binding contracts have been entered into for the bona fide sale of not less than a majority of the stock or membership certificates representing not less than a majority of the residential units in the project or (2) the loan is approved by the commissioner.

CHAPTER 185

An act to amend Section 3546.5 of the Government Code, relating to public educational employment relations, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977]

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

SECTION 1. Section 3546.5 of the Government Code is amended to read:

3546.5. Every recognized or certified employee organization shall keep an adequate itemized record of its financial transactions and shall make available annually, to the board and to the employees who are members of the organization, within 60 days after the end of its fiscal year, a detailed written financial report thereof in the form of a balance sheet and an operating statement, signed and certified as to accuracy by its president and treasurer, or corresponding principal officers. In the event of failure of compliance with this section, any employee within the organization may petition the board for an order compelling such compliance, or the board may issue such compliance order on its motion.

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

In order that all employee organizations be subject to the same requirements as to certification of financial reports at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 186

An act to amend Section 23102.2 of the Vehicle Code, relating to public offenses.

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977]

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

SECTION 1. Section 23102.2 of the Vehicle Code is amended to read:

23102.2. (a) In any proceedings to have a prior judgment of conviction of a violation of subdivision (a) or (b) of Section 23102, or of subdivision (a), (b), or (c) of Section 23105, declared invalid on constitutional grounds, the defendant shall state in writing and with specificity wherein he was deprived of his constitutional rights,

which statement shall be filed with the clerk of the court and a copy served on the court that rendered such prior judgment and on the prosecuting attorney in the present proceedings at least five court days prior to the hearing thereon.

(b) The court shall, prior to the trial of any pending criminal action against the defendant wherein such prior conviction is charged as such, hold a hearing, outside of the presence of the jury, in order to determine the constitutional validity of the charged prior conviction issue. At such hearing the procedure, the burden of proof and the burden of producing evidence shall be as follows:

(1) The burden of proof remains with the prosecution throughout and is that of beyond a reasonable doubt.

(2) The prosecution shall initially have the burden of producing evidence of the prior conviction sufficient to justify a finding that the defendant has suffered such prior conviction.

(3) In such event, the defendant then has the burden of producing evidence that his constitutional rights were infringed in the prior proceeding at issue.

(4) If the defendant bears this burden successfully, the prosecution shall have the right to produce evidence in rebuttal.

(5) The court shall make a finding on the basis of the evidence thus produced and shall strike from the accusatory pleading any prior conviction found to be constitutionally invalid.

CHAPTER 187

An act to amend Section 933 of the Penal Code, relating to grand juries.

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977]

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

SECTION 1. Section 933 of the Penal Code is amended to read:

933. (a) No later than one month after the end of each fiscal year of a county, each grand jury impaneled during that fiscal year shall submit to the presiding judge of the superior court a final report of its findings and recommendations that pertain to county government matters other than fiscal matters during the fiscal year.

(b) No later than three months after the end of each fiscal year of a county, each grand jury impaneled during the succeeding fiscal year shall submit to the presiding judge of the superior court a final report of its findings and recommendations that pertain to fiscal matters of county government during the previous fiscal year of the county.

(c) No later than 90 days after the grand jury submits any final report, the board of supervisors shall comment on the findings and

recommendations of the grand jury that pertain to county government matters under the control of the board and every elective county officer shall report to the board of supervisors on the findings and recommendations pertaining to such county officer. All such comments and reports shall forthwith be submitted to the presiding judge of the superior court who impaneled the grand jury for the previous fiscal year. A copy thereof shall be placed on file with the county clerk and shall remain on file in the office of the county clerk.

CHAPTER 188

An act to amend Section 44955 of, and to add Section 44963 to, the Water Code, relating to California water storage districts and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1977. Filed with Secretary of State June 30, 1977]

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

SECTION 1. Section 44955 of the Water Code is amended to read:

44955. Revenue warrants may be sold at either public or private sale upon such terms and conditions as the board may determine. Such warrants may be sold at less than their par or face value, but no revenue warrant may be sold at a price which would yield to the purchaser an average of more than 8 percent per annum, payable semiannually, according to standard tables of bond values.

SEC. 2. Section 44963 is added to the Water Code, to read:

44963. Notwithstanding the provisions of Sections 44953 and 44962, revenue warrants may be issued prior to August 1, 1978, pursuant to this chapter for a term not to exceed 10 years from the date of issuance and for an amount not in excess of four million dollars ($4,000,000) in any one fiscal year.

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

Several California water storage districts and improvement districts therein have undertaken irrigation projects to provide needed supplemental water for agriculture in such districts by utilizing the supply of water made available from the State of California or the United States, which projects involve annual fixed costs of great magnitude. The financial programs under which these projects are implemented provide that substantial portions of these costs be recovered from charges related to the available water supply. As a direct result of the severe drought conditions existing throughout the State of California the available water supply has

been reduced to unexpected minimums, resulting in unit costs of unexpected amounts. In order to preserve the financial integrity of the projects, and thereby to continue to provide the water necessary to preserve the health and safety of the persons residing in the affected areas, it is now necessary to provide such districts with additional financial flexibility to meet their financial commitments in a timely manner from financially feasible revenues, and it is therefore essential that this act go into immediate effect.

CHAPTER 189

An act to amend Section 1780 of the Government Code, relating to public officers.

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977]

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

SECTION 1. Section 1780 of the Government Code is amended to read:

1780. (a) Notwithstanding any other provision of law, a vacancy in any elective office on the governing board of a special district, other than those specified in Section 1781, shall be filled as provided in this section. The remaining district board members may fill the vacancy by appointment until the next district general election that is scheduled 90 or more days after the effective date of the vacancy, provided the appointment is made within a period of 60 days immediately subsequent to the effective date of such vacancy and provided a notice of the vacancy is posted in three or more conspicuous places in the district at least 15 days before the appointment is made. In lieu of making an appointment the remaining members of the board may within 60 days of the vacancy call an election to fill the vacancy. The election shall be held on the next available election date provided by Section 2504 of the Elections Code that is 90 or more days after the vacancy occurs.

(b) If the vacancy is not filled by the district board as specified, or if the board has not called for an election within 60 days of the vacancy, the city council of the city in which the district is wholly located, or if the district is not wholly located within a city, the board of supervisors of the county representing the larger portion of the district area in which the election to fill the vacancy will be held, may fill the vacancy within 90 days of the vacancy, or the city council or county supervisors may order the district to call an election to fill the vacancy. The election shall be held on the next available election date provided by Section 2504 of the Elections Code that is 90 or more days after the vacancy occurs.

(c) If within 90 days of the vacancy the remaining members of the

board or the appropriate board of supervisors or city council have not filled the vacancy and no election has been called for, the district shall call an election to fill the vacancy. The election shall be held on the next available election date provided by Section 2504 of the Elections Code that is 90 or more days after the vacancy occurs.

(d) Persons appointed to fill a vacancy shall hold office until the next district general election and thereafter until the person elected at such election to fill the vacancy has been qualified, but persons elected to fill a vacancy shall hold office for the unexpired balance of the term of office.

CHAPTER 190

An act to amend Section 1007 of the Public Utilities Code, relating to vessels.

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977]

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

SECTION 1. Section 1007 of the Public Utilities Code is amended to read:

1007. (a) No corporation or person shall begin to operate or cause to be operated any vessel for the transportation of persons or property, for compensation, between points in this state, without first having obtained from the commission a certificate declaring that public convenience and necessity require such operation, but no such certificate shall be required as to termini between which any such corporation or person is lawfully operating vessels in good faith under this part as it existed prior to August 17, 1923, under tariffs and schedules of such corporations or persons, lawfully on file with the commission. Every applicant for such a certificate shall file in the office of the commission application and evidence in the form required by the commission. The commission may, with or without hearing, issue the certificate as prayed for, or refuse to issue it, or issue it for the partial exercise only of the privilege sought, or issue it for operation between certain points only, and may attach to the exercise of the rights granted by the certificate such terms and conditions as, in its judgment, the public convenience and necessity require.

(b) Any corporation or person which owns or controls, and any corporation or person which operates, any watercraft propelled by steam, gas, fluid naphtha, electricity, or other motive power under the burden of five tons net register for the transportation of persons or property for compensation between points in this state on January 1, 1975, may, on or before April 1, 1975, file with the commission an application for a certificate of public convenience and necessity for

the type of service performed by the vessel. The commission shall issue such certificate authorizing such service without further proceedings.

(c) The provisions of this section shall not be applicable to any vessel under the burden of five tons net register.

CHAPTER 191

An act to repeal Section 25763 of the Business and Professions Code and to amend Section 3230 of the Health and Safety Code, relating to venereal disease.

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977]

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

SECTION 1. Section 25763 of the Business and Professions Code is repealed.

SEC. 2. Section 3230 of the Health and Safety Code is amended to read:

3230. The department shall develop and prepare posters and leaflets which inform the public of venereal disease and make such posters and leaflets available to the California State Board of Pharmacy for distribution.

The department may determine the size, shape, and materials of such posters and leaflets so as to adequately fulfill the purposes of this article.

CHAPTER 192

An act to amend Sections 20025, 20025.2, 20834.1, 21101, and 22825.1 of the Government Code, relating to the Public Employees' Retirement System, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977]

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

SECTION 1. Section 20025 of the Government Code is amended to read:

20025. The entire compensation of a local member shall be included in any computation to be made under this part for service rendered as an employee of a contracting agency, the effective date of whose contract is on or after July 1, 1952, or whose contract on its

effective date prior to July 1, 1952, contained an election to be subject to this section.

SEC. 2. Section 20025.2 of the Government Code is amended to read:

20025.2. When the compensation of a member is a factor in any computation to be made under this part there shall be excluded from such computations any compensation based on overtime put in by a member whose service retirement allowance is a fixed percentage of final compensation for each year of credited service. For the purposes of this part, overtime is the aggregate service performed by an employee as a member for all employers and in all categories of employment in excess of the hours of work considered normal for employees on a full-time basis, and for which monetary compensation is paid.

If a member concurrently renders service in two or more positions, one or more of which is full time, service in the part-time position shall constitute overtime. If two or more positions are full time, a member may designate within 30 days of notice given which position shall constitute overtime; if the member does not so designate, the position with the later membership date shall be deemed overtime. This provision shall apply only to service rendered on or after the effective date of this amendment.

SEC. 3. Section 20834.1 of the Government Code is amended to read:

20834.1. Credit for prior service rendered as an employee of a contracting agency shall be granted to each local member at the date the local member becomes a member of this system; provided, however, that a member may not be credited with such prior service, if he is eligible to redeposit for current service, until after he has been accredited with all current service for which he is eligible.

This section shall apply to all local members who are in active state service on or after January 1, 1977, and notwithstanding any other provision in this article shall operate prospectively.

SEC. 4. Section 21101 of the Government Code is amended to read:

21101. The board may reinstate a person from retirement upon (a) his application to the board for reinstatement; (b) the determination of the board, based upon medical examination, that he is not incapacitated for the duties to be assigned to him; and (c) the determination of the board that his age at the date of application for reinstatement is at least six months less than the age of compulsory retirement for service applicable to members of the class or category in which it is proposed to employ him. The effective date of such reinstatement for purposes of this article shall be the first day of compensated employment.

SEC. 5. Section 22825.1 of the Government Code is amended to read:

22825.1. Notwithstanding any other provision of this article, the employer's contribution, with respect to each state officer and

employee or an annuitant who was in such employment or office including an academic position with a California state university or college or is a survivor of such person, shall be the amount necessary to pay the cost of his enrollment, including the enrollment of his family members, in a health benefits plan or plans or, if less, thirty-two dollars ($32) for basic and related major medical plans with respect to employees or annuitants enrolled for self alone or for an employee or annuitant so enrolled for self and one family member, fifty-three dollars ($53) or, for an employee or annuitant so enrolled for self and two or more family members, sixty-six dollars ($66). The annual total compensation report by the State Personnel Board shall recommend adjustments of the dollar amounts herein based on the principle that the employer's contribution for each employee or annuitant shall be an amount equal to 85 percent of the weighted average of the premiums required for basic and related major medical plans with respect to employees or annuitants enrolled for self alone plus 60 percent of the weighted average of the additional premiums required for enrollment of family members in basic and major medical plans as applicable for the level of benefits offered by (1) the statewide service plan contracted by the state; (2) the statewide indemnity plan contracted by the state; (3) the two prepaid comprehensive medical-hospital plans with the largest number of enrollments contracted by the state, as determined by the board, whichever is less. There shall be only one such contribution with respect to all annuitants receiving allowances as survivors of the same employee or annuitant.

The employer's contribution under this section for each employee shall commence on the effective date of his enrollment.

The contribution of each employee and annuitant shall be the total cost per month of the benefit coverage afforded him under the plan or plans less the portion thereof to be contributed by the employer.

SEC. 6. Sections 1, 2, 3, and 4 of this act shall become operative on January 1, 1978.

Section 5 of this act shall become operative on July 1, 1977.

SEC. 7. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because duties, obligations, or responsibilities imposed on local government by this act can be accomplished with no additional cost to local government.

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

In order for the employer contributions under the State Employees' Medical and Hospital Care Act to remain at the present percentage, it is necessary that this act go into immediate effect.

CHAPTER 193

An act to amend Sections 35147 and 72123 of the Education Code, and to repeal Section 5015.5 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, relating to school district and community college district governing boards.

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977]

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

SECTION 1. Section 5015.5 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is repealed.

SEC. 2. Section 35147 of the Education Code is amended to read:

35147. Each member of the governing board of a school district may be allowed for travel necessary to attend annual, regular and special meetings of the governing board the rate of mileage determined by the governing board. Orders for travel allowances shall be drawn upon the funds of the district and signed by a majority of the governing board exclusive of the payee.

SEC 3. Section 72123 of the Education Code is amended to read:

72123. Each member of the governing board of a community college district may be allowed for travel necessary to attend annual, regular and special meetings of the governing board the rate of mileage determined by the governing board. Orders for travel allowances shall be drawn upon the funds of the district and signed by a majority of the governing board exclusive of the payee.

CHAPTER 194

An act to amend Section 739.5 of the Public Utilities Code, relating to master-meter customers.

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977]

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

SECTION 1. Section 739.5 of the Public Utilities Code is amended to read:

739.5. (a) The commission shall require that, whenever domestic gas or domestic electric service, or both, is provided by a master-meter customer to users through a submeter service system, the master-meter customer providing such submeter service, whether such customer is a mobilehome park, an apartment house, or a similar establishment, shall charge each user at the same rate which would be applicable if the user were receiving such gas or electricity or both, directly from the serving utility. The commission

shall require the serving utility to establish uniform rates for each service schedule area for master-meter service at a level which will provide a sufficient differential to cover the reasonable average costs to master-meter customers of providing such submeter service provided, however, that such costs shall not exceed the average cost that the serving utility would have incurred in providing comparable services beyond the master meter to the submeter tenants.

(b) Every master-meter customer subject to subdivision (a) who, on or after January 1, 1978, receives any rebate from the serving utility shall distribute to, or credit to the account of, each current user served by the master-meter customer that portion of the rebate which the amount of gas or electricity, or both, consigned by the user during the last billing period bears to the total amount used by the master-meter customer during such period.

(c) Serving utilities shall notify each master-meter customer subject to subdivision (b) of the master-meter customers' responsibilities under that subdivision.

CHAPTER 195

An act to add Sections 22841 and 22841.5 to the Water Code, relating to irrigation districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977.]

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

SECTION 1. Section 22841 is added to the Water Code, to read:

22841. Notwithstanding Section 23509 of the Elections Code, the board of an irrigation district containing 500,000 acres or more may designate that the general district election shall be held on the day provided for the statewide direct primary election in Section 2551 of the Elections Code and consolidated with such statewide primary election, and thereafter all references to odd-numbered years with respect to such elections shall mean even-numbered years as nearly as may be applicable. A designation by the board changing the date of a general district election pursuant to this section shall be adopted by resolution of the board and filed with the county clerk of the principal county at least 90 days before the date of the next district general election which would occur had such designation not been made and at least 90 days before the next statewide primary election provided for in Section 2551 of the Elections Code.

SEC. 2. Section 22841.5 is added to the Water Code, to read:

22841.5. In an irrigation district containing 500,000 acres or more, the board shall, when changing the boundaries of the divisions of the district pursuant to Section 21605, make such boundaries coincide

with general county election precincts as nearly as may be practicable while keeping such divisions as nearly equal in population as may be practicable.

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

The cost of a separate general district election within irrigation districts containing 500,000 acres or more is disproportionate for the size of such districts and this act would permit consolidation of elections in such districts with the statewide primary election. In order to permit the savings of district funds in this odd-numbered year, it is, therefore, necessary that this act take effect immediately.

CHAPTER 196

An act to amend Sections 1009 and 1011 of the Elections Code, relating to absentee voting

[Approved by Governor June 30, 1977. Filed with Secretary of State June 30, 1977.]

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

SECTION 1. Section 1009 of the Elections Code is amended to read:

1009. The identification envelope shall contain the following:

(a) A declaration, under penalty of perjury, stating that the voter resides within the precinct in which he is voting.

(b) The signature of the voter.

(c) The residence address of the voter as shown on the affidavit of registration.

(d) The date of signing.

(e) A notice that the envelope contains an official ballot and is to be opened only by the canvassing board.

(f) A warning plainly stamped or printed on it that voting twice constitutes a felony.

SEC. 2. Section 1011 of the Elections Code is amended to read:

1011. The official shall send a second absent voter ballot to any voter upon receipt of a statement under penalty of perjury that the voter has failed to receive, lost, or destroyed his original ballot.

The official shall keep a record of each absent voter ballot sent to and received from a voter and shall verify, prior to counting any duplicate ballot, that the voter has not attempted to vote twice. If it is determined that a voter has attempted to vote twice, both ballots shall be void.

CHAPTER 197

An act to amend Sections 6100, 8211, 8211.5, and 8211.8 of, and to add Section 8202.7 to, the Government Code, relating to notaries public.

[Approved by Governor June 30, 1977. Filed with Secretary of State June 30, 1977]

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

SECTION 1. Section 6100 of the Government Code is amended to read:

6100. Officers of the state, or of a county or judicial district, shall not perform any official services unless upon the payment of the fees prescribed by law for the performance of the services, except as provided in this chapter.

This section shall not be construed to prohibit any notary public, except a notary public whose fees are required by law to be remitted to the state or any other public agency, from performing notarial services without charging a fee.

SEC. 2. Section 8202.7 is added to the Government Code, to read:

8202.7. A private employer, pursuant to an agreement with an employee who is a notary public, may pay the premiums on any bond and the cost of any stamps, seals, or other supplies required in connection with the appointment, commission, or performance of the duties of such notary public. Such agreement may also provide for the remission of fees collected by such notary public to the employer, in which case any fees collected or obtained by such notary public while such agreement is in effect shall be remitted by such notary public to the employer which shall deposit such funds to the credit of the fund from which the compensation of the notary public is paid.

SEC. 3. Section 8211 of the Government Code is amended to read:

8211. If a fee is charged by a notary public, the fee shall be the fee prescribed in this section and in Sections 8211.5 and 8211.8. The fee of a notary public for taking an acknowledgment or proof of a deed, or other instrument, to include the seal and the writing of the certificate, is, for the first two signatures, two dollars ($2) each, and for each additional signature, one dollar ($1). The fee of a notary public for administering an oath or affirmation to one person and executing the jurat, including the seal, is two dollars ($2). The fee of a notary public, exclusive of signature verification, shall not exceed ten dollars ($10) per individual for each set of forms relating to a change of that individual's immigration status. This fee limitation shall apply whether the notary is acting in his capacity as a notary or not but shall not apply to an attorney, who is also a notary public, who

is rendering professional services regarding immigration matters.

SEC. 4. Section 8211.5 of the Government Code is amended to read:

8211.5. In the event a fee is charged, the fee of a notary public for all services rendered in connection with the taking of any deposition is the sum of five dollars ($5), and in addition thereto, the sum of one dollar ($1) for administering the oath to the witness and the sum of one dollar ($1) for the certificate to such deposition.

The fees herein provided for are exclusive of any fees for services rendered either by a notary public or another in connection with the reporting or transcription of depositions.

For his services transcribing a deposition the reporter shall receive from the party purchasing the original seventy-five cents ($0.75) per 100 words, and for each copy made at the same time ten cents ($0.10) per 100 words; from all other parties purchasing the same the reporter shall receive for each copy made at the same time as the original twenty-five cents ($0.25) per 100 words for the first copy and ten cents ($0.10) per 100 words for additional copies.

In any county having a population of 5,000,000 or over, for services in reporting a deposition, a reporter shall receive not less than thirty-five dollars ($35) for one-half day nor more than the fees of a reporter pro tempore in the superior court of the county. For services in transcribing a deposition, the reporter shall receive from the party purchasing the original and one copy not less than two dollars ($2) per 28-line 8½- x 11-inch page, and, for each additional copy made at the same time or from all other parties purchasing a copy, the reporter shall receive not less than fifty cents ($.50) per page.

If a deposition is transcribed, the reporter shall not receive the compensation provided in this section for reporting the deposition.

SEC. 5. Section 8211.8 of the Government Code is amended to read:

8211.8. Except as provided in Sections 8211 and 8211.5, in the event a fee is charged, the fees of a notary public are:

(a) For every protest for the nonpayment of a promissory note or for the nonpayment or nonacceptance of a bill of exchange, draft, or check, two dollars ($2).

(b) For serving every notice of nonpayment of a promissory note or of nonpayment or nonacceptance of a bill of exchange, order, draft, or check, one dollar ($1).

(c) For recording every protest, one dollar ($1).

(d) For copying an affidavit, or other paper for which provision is not made herein, ten cents ($0.10) for each folio.

CHAPTER 198

An act to amend Sections 1671, 1951.5, and 3358 of, to add Section 1669 to, to add a title heading to Part 2 (commencing with Section 1549) of Division 3, immediately preceding Section 1671 of, to add a chapter heading to Title 4.5 (commencing with Section 1671) of Part 2 of Division 3 of, to add Chapter 2 (commencing with Section 1675) to Title 4.5 of Part 2 of Division 3 of, and to repeal Sections 1670 and 1676 of, the Civil Code, to amend Section 90226 of, and to add Article 5 (commencing with Section 92050) to Chapter 1 of Part 57 of Division 9 of Title 3 of, the Education Code, to amend Sections 14376 and 53069.85 of the Government Code, and to amend Section 5254.5 of the Streets and Highways Code, relating to legal obligations, including liquidated damages.

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977]

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

SECTION 1. Section 1669 is added to the Civil Code, to read:

1669. Every contract in restraint of the marriage of any person, other than a minor, is void.

SEC. 2. Section 1670 of the Civil Code is repealed.

SEC. 3. A title heading is added to Part 2 (commencing with Section 1549) of Division 3 of the Civil Code, immediately preceding Section 1671 thereof, to read:

TITLE 4.5. LIQUIDATED DAMAGES

SEC. 4. A chapter heading is added to Title 4.5 (commencing with Section 1671) of Part 2 of Division 3 of the Civil Code, immediately preceding Section 1671, to read:

CHAPTER 1. GENERAL PROVISIONS

SEC. 5. Section 1671 of the Civil Code is amended to read:

1671. (a) This section does not apply in any case where another statute expressly applicable to the contract prescribes the rules or standard for determining the validity of a provision in the contract liquidating the damages for the breach of the contract.

(b) Except as provided in subdivision (c), a provision in a contract liquidating the damages for the breach of the contract is valid unless the party seeking to invalidate the provision establishes that the provision was unreasonable under the circumstances existing at the time the contract was made.

(c) The validity of a liquidated damages provision shall be determined under subdivision (d) and not under subdivision (b) where the liquidated damages are sought to be recovered from either:

(1) A party to a contract for the retail purchase, or rental, by such party of personal property or services, primarily for the party's personal, family, or household purposes; or

(2) A party to a lease of real property for use as a dwelling by the party or those dependent upon the party for support.

(d) In the cases described in subdivision (c), a provision in a contract liquidating damages for the breach of the contract is void except that the parties to such a contract may agree therein upon an amount which shall be presumed to be the amount of damage sustained by a breach thereof, when, from the nature of the case, it would be impracticable or extremely difficult to fix the actual damage.

SEC. 6. Section 1676 of the Civil Code is repealed.

SEC. 7. Chapter 2 (commencing with Section 1675) is added to Title 4.5 of Part 2 of Division 3 of the Civil Code, to read:

CHAPTER 2. DEFAULT ON REAL PROPERTY PURCHASE CONTRACT

1675. (a) As used in this section, "residential property" means real property primarily consisting of a dwelling that meets both of the following requirements:

(1) The dwelling contains not more than four residential units.

(2) At the time the contract to purchase and sell the property is made, the buyer intends to occupy the dwelling or one of its units as his residence.

(b) A provision in a contract to purchase and sell residential property which provides that all or any part of a payment made by the buyer shall constitute liquidated damages to the seller upon the buyer's failure to complete the purchase of the property is valid to the extent that payment in the form of cash or check, including a postdated check, is actually made if the provision satisfies the requirements of Sections 1677 and 1678 and of subdivision (c) or (d) of this section.

(c) If the amount actually paid pursuant to the liquidated damages provision does not exceed 3 percent of the purchase price, the provision is valid to the extent that payment is actually made unless the buyer establishes that such amount is unreasonable as liquidated damages.

(d) If the amount actually paid pursuant to the liquidated damages provision exceeds 3 percent of the purchase price, the provision is invalid unless the party seeking to uphold the provision establishes that the amount actually paid is reasonable as liquidated damages.

(e) For the purposes of subdivisions (c) and (d), the reasonableness of an amount actually paid as liquidated damages shall be determined by taking into account both of the following:

(1) The circumstances existing at the time the contract was made.

(2) The price and other terms and circumstances of any

subsequent sale or contract to sell and purchase the same property if such sale or contract is made within six months of the buyer's default.

1676. Except as provided in Section 1675, a provision in a contract to purchase and sell real property liquidating the damages to the seller if the buyer fails to complete the purchase of the property is valid if it satisfies the requirements of Section 1677 and the requirements of subdivision (b) of Section 1671.

1677. A provision in a contract to purchase and sell real property liquidating the damages to the seller if the buyer fails to complete the purchase of the property is invalid unless:

(a) The provision is separately signed or initialed by each party to the contract; and

(b) If the provision is included in a printed contract, it is set out either in at least 10-point bold type or in contrasting red print in at least eight-point bold type.

1678. If more than one payment made by the buyer is to constitute liquidated damages under Section 1675, the amount of any payment after the first payment is valid as liquidated damages only if (1) the total of all such payments satisfies the requirements of Section 1675 and (2) a separate liquidated damages provision satisfying the requirements of Section 1677 is separately signed or initialed by each party to the contract for each such subsequent payment.

1679. This chapter applies only to a provision for liquidated damages to the seller if the buyer fails to complete the purchase of real property. The validity of any other provision for liquidated damages in a contract to purchase and sell real property shall be determined under Section 1671.

1680. Nothing in this chapter affects any right a party to a contract for the purchase and sale of real property may have to obtain specific performance.

1681. This chapter does not apply to real property sales contracts as defined in Section 2985.

SEC. 8. Section 1951.5 of the Civil Code is amended to read:

1951.5. Section 1671, relating to liquidated damages, applies to a lease of real property.

SEC. 9. Section 3358 of the Civil Code is amended to read:

3358. Except as expressly provided by statute, no person can recover a greater amount in damages for the breach of an obligation, than he could have gained by the full performance thereof on both sides.

SEC. 10. Section 90226 of the Education Code is amended to read:

90226. Every contract shall contain a provision in regard to the time when the whole or any specified portion of the work contemplated shall be completed, and shall provide that for each day completion is delayed beyond the specified time, the contractor shall forfeit and pay to the state a specified sum of money, to be deducted from any payments due or to become due to the contractor. The sum so specified is valid as liquidated damages unless manifestly

unreasonable under the circumstances existing at the time the contract was made. A contract for a road project may also provide for the payment of extra compensation to the contractor, as a bonus for completion prior to the specified time, such provision, if used, to be included in the specifications and to clearly set forth the basis for such payment.

SEC. 11. Article 5 (commencing with Section 92050) is added to Chapter 1 of Part 57 of Division 9 of Title 3 of the Education Code, to read:

Article 5. Construction Contracts

92050. The Regents of the University of California may include or cause to be included in a contract for a construction project for the University of California a provision establishing the time within which the whole or any specified portion of the work contemplated shall be completed. The provision may provide that for each day completion is delayed beyond the specified time, the contractor shall forfeit and pay to the Regents of the University of California a specified sum of money, to be deducted from any payments due or to become due to the contractor. The sum so specified is valid as liquidated damages unless manifestly unreasonable under the circumstances existing at the time the contract was made. A contract for such a project may also provide for the payment of extra compensation to the contractor, as a bonus for completion prior to the specified time. Such provisions, if used, shall be included in the specifications and shall clearly set forth the basis for such payments. Nothing in this section restricts the authority of the Regents of the University of California to include any other provision concerning liquidated damages in any contract for a construction project.

SEC. 12. Section 14376 of the Government Code is amended to read:

14376. Every contract shall contain a provision in regard to the time when the whole or any specified portion of the work contemplated shall be completed, and shall provide that for each day completion is delayed beyond the specified time, the contractor shall forfeit and pay to the state a specified sum of money, to be deducted from any payments due or to become due to the contractor. The sum so specified is valid as liquidated damages unless manifestly unreasonable under the circumstances existing at the time the contract was made. A contract for a road project may also provide for the payment of extra compensation to the contractor, as a bonus for completion prior to the specified time, such provision, if used, to be included in the specifications and to clearly set forth the basis for such payment.

SEC. 13. Section 53069.85 of the Government Code is amended to read:

53069.85. The legislative body of a city, county or district may include or cause to be included in contracts for public projects a

provision establishing the time within which the whole or any specified portion of the work contemplated shall be completed. The legislative body may provide that for each day completion is delayed beyond the specified time, the contractor shall forfeit and pay to such agency involved a specified sum of money, to be deducted from any payments due or to become due to the contractor. The sum so specified is valid as liquidated damages unless manifestly unreasonable under the circumstances existing at the time the contract was made. A contract for such a project may also provide for the payment of extra compensation to the contractor, as a bonus for completion prior to the specified time. Such provisions, if used, shall be included in the specifications upon which bids are received, which specifications shall clearly set forth the provisions.

SEC. 14. Section 5254.5 of the Streets and Highways Code is amended to read:

5254.5. At any time prior to publication and posting notice inviting bids, the legislative body by resolution, may determine that in the event that the contractor, contracting owners included, does not complete the work within the time limit specified in the contract or within such further time as the legislative body shall have authorized, the contractor or contracting owners, as the case may be, shall pay to the city liquidated damages in the amount fixed by the legislative body in said resolution. The amount so fixed is valid as liquidated damages unless manifestly unreasonable under the circumstances existing at the time the contract was made. If such determination is made, the plans or specifications and the contract shall contain provisions in accordance therewith.

Any moneys received by the city on account of such liquidated damages shall be applied as follows:

(1) If received prior to confirmation of the assessment, such moneys shall be applied as a contribution against the assessment.

(2) If received after the confirmation of the assessment, such moneys shall be applied in the manner provided in Section 5132.1 for the disposition of excess acquisition funds.

(3) If a contribution has theretofore been made or ordered by any agency, the legislative body may order a refund to the contributing agency in the proportion which said contribution bears to the total costs and expenses of the work.

SEC. 15. This act shall become operative on July 1, 1978.

SEC. 16. This act shall apply only to contracts made on or after July 1, 1978.

CHAPTER 199

An act to add Section 23815 to, and to repeal and add Section 22128 of, the Education Code, relating to the State Teachers' Retirement System.

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977]

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

SECTION 1. Section 22128 of the Education Code is repealed.

SEC. 2. Section 22128 is added to the Education Code, to read:

22128. "Full-time student" means a child in full-time attendance at an educational institution. The final determination whether a person qualifies as a full-time student shall be made by the board in light of standards and practices of the institution involved.

SEC. 3. Section 23815 is added to the Education Code, to read:

23815. To establish eligibility for benefits payable under Sections 23804 and 24100 for full-time students the following applies:

(a) An individual shall be deemed to be a full-time student during any normal period of vacation or holiday of the institution involved and there is sufficient evidence to satisfy the board of the intention to continue in full-time attendance at such educational institution immediately following such period of vacation or holiday.

(b) If the individual fails to return to full-time attendance following vacation or holiday, the allowance ceases as of the first of the month in which return to full-time attendance was required.

(c) An individual does not qualify as a full-time student during any period of nonattendance if the nonattendance is due to expulsion or suspension.

(d) An individual shall not qualify as a full-time student if his attendance at an educational institution is paid for and provided by his employer or is in the course of his on-the-job training, unless such on-the-job training is part of the regularly established school training for which credit toward a diploma, certificate or graduation is given. An individual shall not qualify as a full-time student for any full-time course of study which is directly paid for and sponsored under the job corps of the Economic Opportunity Act or paid for or sponsored by any armed forces for this state or the United States of America.

CHAPTER 200

An act to add Section 4024.1 to the Penal Code, relating to discharge of prisoners.

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977]

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

SECTION 1. Section 4024.1 is added to the Penal Code, to read:

4024.1. (a) The sheriff, chief of police, or any other person responsible for a county or city jail may apply to the presiding judge of the justice, municipal, or superior court to receive general authorization for a period of 30 days to release inmates pursuant to the provisions of this section.

(b) Whenever, after being authorized by a court pursuant to subdivision (a), the actual inmate count exceeds the actual bed capacity of a county or city jail, the sheriff, chief of police, or other person responsible for such county or city jail may accelerate the release, discharge, or expiration of sentence date of sentenced inmates up to a maximum of five days.

(c) The total number of inmates released pursuant to this section shall not exceed a number necessary to balance the inmate count and actual bed capacity.

(d) Inmates closest to their normal release, discharge, or expiration of sentence date shall be given accelerated release priority.

(e) The number of days that release, discharge, or expiration of sentence is accelerated shall in no case exceed 10 percent of the particular inmate's original sentence, prior to the application thereto of any other credits or benefits authorized by law.

CHAPTER 201

An act to amend Section 12337.5 of the Public Utilities Code, relating to municipal utility districts.

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977]

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

SECTION 1. Section 12337.5 of the Public Utilities Code is amended to read:

12337.5. Notwithstanding the provisions of Section 12337, the retirement board may comply with and give effect to a revocable written authorization signed by a retired member or beneficiary of a retired member entitled to a retirement allowance or benefit under this chapter, authorizing the district to deduct appropriate amounts from the retirement allowance or benefit payable to any such retired member or beneficiary of a retired member for the purpose of paying premiums of any group medical or hospital service plan, or both, approved by the district, for the benefit of such retired member or his dependents, for the payment of personal income taxes to the Government of the United States or of the State of California,

or for the purchase of shares in, or the payment of money to, the utility district credit union.

CHAPTER 202

An act to amend Section 31592 of, and to add Section 31529.5 to the Government Code, relating to the County Employees Retirement Law of 1937.

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977]

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

SECTION 1. Section 31529.5 is added to the Government Code, to read:

31529.5. Notwithstanding Section 31529, the board may contract for the legal services of an attorney in private practice when the board determines, after consultation with the county counsel, that the county counsel cannot provide the board with legal services due to a conflict of interest or other compelling reason. The compensation of such attorney shall be paid from the portion of reserves created by Section 31592 which exceed one percent of the total assets of the fund, or in the absence of such excess reserves, from the county general fund.

This section shall not be operative in any county until such time as the board of supervisors shall, by resolution adopted by majority vote, make the provisions of this section applicable in such county.

SEC 2. Section 31592 of the Government Code is amended to read:

31592. Earnings of the retirement fund during any year in excess of the total interest credited to contributions and reserves during such year shall remain in the fund as a reserve against deficiencies in interest earnings in other years, losses on investments and other contingencies, except as provided in Sections 31529.5 and 31592.2.

CHAPTER 203

An act to amend Section 30201 of the Public Utilities Code, relating to transit districts.

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977]

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

SECTION 1. Section 30201 of the Public Utilities Code is amended to read:

30201. The board of directors shall consist of 11 members appointed as follows:

Five by the Board of Supervisors of the County of Los Angeles, who, in the discretion of such board of supervisors, may or may not be members of such board of supervisors, but each of whom shall be a resident of a different supervisorial district.

Two by the Mayor of the City of Los Angeles, subject to confirmation by the City Council of the City of Los Angeles, who may or may not be members of such city council, but each of whom shall be a resident of such city.

Four by the city selection committee, each of whom, in the discretion of such committee, may or may not be a member of the city selection committee, but who shall be an elected city official, shall be a resident of a different city, and shall not be a resident of the City of Los Angeles. The city selection committee shall adopt rules and regulations grouping or combining the areas of the cities within the district, except the City of Los Angeles, into four corridors based on existing or proposed transit lines. The rules and regulations shall provide that the member of the board to be selected by a subcommittee of the city selection committee shall be a resident of the corridor represented by the subcommittee. The terms of office of these four members of the board shall be for four years. On and after January 1, 1977, any appointment to the board shall be made by a subcommittee of the committee, which subcommittee shall include only members representing those cities within the corridor that the previous director represented. The appointment of a subcommittee shall be deemed approved by the city selection committee unless rejected by a two-thirds vote of the committee within 30 days of the appointment. If the appointment is so rejected, the subcommittee shall make another appointment.

CHAPTER 204

An act to add and repeal Section 31558.3 of the Government Code, relating to the County Employees Retirement Law of 1937.

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977]

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

SECTION 1. Section 31558.3 is added to the Government Code, to read:

31558.3. Notwithstanding any of the provisions of Section 31558 to the contrary, each person over 35 years of age who, prior to the

effective date of this section was employed in any county having a population in excess of 260,000 but less than 265,000 as determined by Section 28020 as amended in 1971, in positions the principal duties of which consist of active law enforcement for not less than three years and who is employed by a county in a position which would make such person eligible to become a safety member if he had not been over the age of 35 years at the time of his employment, may, if he so elects, become a safety member as of the first day of the calendar month following his entrance into county service regardless of age.

A member may receive credit for such service, as a safety member, when he has contributed, with interest to the date paid, the difference between contributions made and those which would have been made by the member if he had been a safety member. Such additional contributions shall be made prior to retirement.

This section shall not be operative in any county until such time as the board of supervisors shall, by resolution adopted by a majority vote, make the provisions of this section applicable in such county.

This section shall remain in effect until January 1, 1979 and on such date is repealed.

CHAPTER 205

An act to amend Section 25502.5 of the Government Code, relating to counties.

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977]

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

SECTION 1. Section 25502.5 of the Government Code is amended to read:

25502.5. In counties having a population of 900,000 or more the board of supervisors may direct by ordinance the purchasing agent to engage independent contractors to perform sundry services for the county and the officers thereof, with or without the furnishing of material, where the estimated aggregate cost does not exceed twenty-five thousand dollars ($25,000), and upon such direction the purchasing agent shall so engage independent contractors.

The board of supervisors may establish rules and regulations to effectuate the purposes of this section.

CHAPTER 206

An act to amend Section 437 of the Health and Safety Code, relating to health planning.

[Approved by Governor June 30, 1977. Filed with Secretary of State June 30, 1977.]

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

SECTION 1. Section 437 of the Health and Safety Code is amended to read:

437. There is hereby created the Advisory Health Council, to be composed of 21 members.

The Governor shall appoint 14 members, one of whom shall be a state government official concerned with health, one of whom shall be a representative of nongovernmental organizations or groups concerned with the operation, construction, or utilization of hospitals or other health care facilities, one of whom shall be representative of a public agency concerned with the operation, construction, or utilization of hospitals or general health activities, one of whom shall be a representative of a public agency concerned with the operation, construction, or utilization of a hospital specializing in rehabilitation, one of whom shall be concerned with the operation, construction or utilization of nongovernmental facilities or services for the retarded, one of whom shall be representative of nongovernmental organizations or groups concerned with the operation, construction or utilization of mental health services, one of whom shall be a provider of health care, one of whom shall be a representative of consumers of services for the mentally retarded, one of whom shall be a representative of physically handicapped consumers, one of whom shall be a representative of consumers of mental health services, one of whom shall be a representative of local government, and three of whom shall be representatives of the general consumer public, as defined.

The Senate Committee on Rules shall appoint three members, one of whom shall be a Member of the Senate, one of whom shall be a provider of health care, and one of whom shall be a representative of the general consumer public.

The Speaker of the Assembly shall appoint three members, one of whom shall be a Member of the Assembly, one of whom shall be a provider of health care, and one of whom shall be a representative of the general consumer public.

The Administrator of Veterans' Affairs shall appoint one ex officio member.

The chairperson and vice chairperson of the council shall be selected by the council from among the members of the council who are the representatives of the general consumer public or public officials, except for Members of the Legislature and for

representatives of major purchasers of health care services.

The representatives of the general consumer public shall be bona fide public representatives whose occupations are neither the administration of health activities nor the performance of health services, who personally have no fiduciary obligation, and have no immediate family member who has a fiduciary obligation, to a hospital or other health agency, and who have no material financial interest in the rendering of health services.

The Member, or Members, of the Senate, appointed by the Senate Committee on Rules, and the Member, or Members, of the Assembly, appointed by the Speaker, shall meet with and participate in the work of the council to the extent that such participation is not incompatible with their positions as Members of the Legislature. The Members of the Legislature appointed to the council shall serve at the pleasure of the appointing power. For purposes of this part, such Members of the Legislature shall constitute a joint legislative committee on the subject of this part and shall have the powers and duties imposed upon such committee by the Joint Rules of the Senate and Assembly.

SEC. 2. The representative of physically handicapped consumers, added to the Advisory Health Council by Section 1 of this act, shall be appointed to the first vacancy occurring after January 1, 1978, among the four members of the general consumer public on the council provided for by Section 437 of the Health and Safety Code prior to the amendment of that section at the 1977–78 Regular Session of the Legislature.

CHAPTER 207

An act to amend Sections 7008 and 7017 of the Civil Code, relating to parent and child.

[Approved by Governor June 30, 1977. Filed with Secretary of State June 30, 1977.]

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

SECTION 1. Section 7008 of the Civil Code is amended to read:

7008 The child may, if under the age of 12 years, and shall, if 12 years of age or older, be made a party to the action. If he is a minor and a party to the action he shall be represented by a guardian ad litem appointed by the court. The natural mother, each man presumed to be the father under Section 7004, and each man alleged to be the natural father, may be made parties and shall be given notice of the action in the manner prescribed in Section 7018 and an opportunity to be heard. The court may align the parties.

SEC. 2. Section 7017 of the Civil Code is amended to read:

7017. (a) (1) If a mother relinquishes or consents to or proposes to

relinquish for adoption a child who has (1) a presumed father under subdivision (a) of Section 7004 or (2) a father as to whom the child is a legitimate child under prior law of this state or under the law of another jurisdiction, the father shall be given notice of the adoption proceeding and have the rights provided under Chapter 2 (commencing with Section 221), Title 2, Part 3, Division 1 of the Civil Code, unless the father's relationship to the child has been previously terminated or determined by a court not to exist or the father has voluntarily relinquished or consented to the adoption of such child.

(2) If a father relinquishes or consents to or proposes to relinquish a child for adoption, the mother shall be given notice of the adoption proceeding and have the rights provided under Chapter 2 (commencing with Section 221), Title 2, Part 3, Division 1 of the Civil Code, unless the mother's relationship to the child has been previously terminated by a court or the mother has voluntarily relinquished or consented to the adoption of such child.

(b) If a mother relinquishes for, consents to, or proposes to relinquish for or consent to the adoption of a child who does not have (1) a presumed father under subdivision (a) of Section 7004 or (2) a father as to whom the child is a legitimate child under prior law of this state or under the law of another jurisdiction, or if a child otherwise becomes the subject of an adoption proceeding and the alleged father, if any, has not, in writing, denied paternity, waived his right to notice, voluntarily relinquished or consented to the adoption, the agency or person to whom the child has been or is to be relinquished, or the mother or the person having custody of the child, shall file a petition in the superior court to terminate the parental rights of the father, unless the father's relationship to the child has been previously terminated or determined not to exist by a court.

(c) In an effort to identify the natural father, the court shall cause inquiry to be made by the State Department of Health, a licensed county adoption agency, or the licensed adoption agency to which the child is to be relinquished of the mother and any other appropriate person. The inquiry shall include the following: whether the mother was married at the time of conception of the child or at any time thereafter; whether the mother was cohabiting with a man at the time of conception or birth of the child; whether the mother has received support payments or promises of support with respect to the child or in connection with her pregnancy; or whether any man has formally or informally acknowledged or declared his possible paternity of the child. The department or the licensed adoption agency shall report the findings to the court.

(d) If, after the inquiry, the natural father is identified to the satisfaction of the court, or if more than one man is identified as a possible father, each shall be given notice of the proceeding in accordance with subdivision (f). If any of them fails to appear or, if appearing, fails to claim custodial rights, his parental rights with reference to the child shall be terminated. If the natural father or a

man representing himself to be the natural father, claims custodial rights, the court shall proceed to determine parentage and custodial rights in whatever order the court deems proper. If the court finds that the man representing himself to be the natural father is a presumed father under subdivision (a) of Section 7004, then the court shall issue an order providing that the father's consent shall be required for an adoption of the child. In all other cases, the court shall issue an order providing that only the mother's consent shall be required for the adoption of the child.

(e) If, after the inquiry, the court is unable to identify the natural father or any possible natural father and no person has appeared claiming to be the natural father and claiming custodial rights, the court shall enter an order terminating the unknown natural father's parental rights with reference to the child.

(f) Notice of the proceeding shall be given to every person identified as the natural father or a possible natural father in accordance with the provisions of the Code of Civil Procedure for the service of process in a civil action in this state, provided that publication or posting of the notice of the proceeding shall not be required. Proof of giving the notice shall be filed with the court before the petition is heard However, if a person identified as the natural father or possible natural father cannot be located or his whereabouts are unknown or cannot be ascertained, the court may issue an order dispensing with notice to such person.

(g) Any order requiring or dispensing with a father's consent for the adoption of a child may be appealed from in the same manner as an order of the juvenile court declaring a person to be a ward of the juvenile court.

SEC 3. The Legislature intends that this act shall clarify existing law by making technical modifications thereto.

CHAPTER 208

An act to amend Section 71631.5 of the Water Code, relating to municipal water districts

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977]

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

SECTION 1. Section 71631.5 of the Water Code is amended to read:

71631.5. Notwithstanding the provisions of Section 71631, in any improvement district situated within the Eastern Municipal Water District or within the Western Municipal Water District of Riverside County, or within the Otay Municipal Water District in San Diego County, the standby assessment or availability charge shall not

exceed twenty dollars ($20) per acre per year for land on which the charge is levied or twenty dollars ($20) per year for a parcel less than one acre. In any such improvement district the proceeds from any standby assessment or availability charge in excess of ten dollars ($10) per acre per year or ten dollars ($10) per year for a parcel less than one acre shall only be used for the purposes of such improvement district.

This section, applicable only to the Eastern Municipal Water District and the Western Municipal Water District of Riverside County, and the Otay Municipal Water District of San Diego County, is necessary because of the unique and special water management problems of those areas included within such districts.

CHAPTER 209

An act to amend Sections 6504, 6505, 6506, and 6509.5 of the Government Code, relating to joint exercise of powers.

[Approved by Governor June 30, 1977. Filed with Secretary of State June 30, 1977.]

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

SECTION 1. Section 6504 of the Government Code is amended to read:

6504. The parties to the agreement may provide that (a) contributions from the treasuries may be made for the purpose set forth in the agreement, (b) payments of public funds may be made to defray the cost of such purpose, (c) advances of public funds may be made for the purpose set forth in the agreement, such advances to be repaid as provided in said agreement, or (d) personnel, equipment or property of one or more of the parties to the agreement may be used in lieu of other contributions or advances. The funds may be paid to and disbursed by the agency or entity agreed upon, which may include a nonprofit corporation designated by the agreement to administer or execute the agreement for the parties to the agreement.

SEC. 2. Section 6505 of the Government Code is amended to read:

6505. The agreement shall provide for strict accountability of all funds and report of all receipts and disbursements.

In addition, and provided a separate agency or entity is created, the public officer performing the functions of auditor or controller as determined pursuant to Section 6505.5, shall either make or contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of every agency or entity. In each case the minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code and shall conform to

generally accepted auditing standards.

Where an audit of an account and records is made by a certified public accountant or public accountant, a report thereof shall be filed as public records with each of the contracting parties to the agreement and also with the county auditor of the county in which each of the contracting parties is located. Such report shall be filed within 12 months of the end of the fiscal year under examination.

Where a nonprofit corporation is designated by the agreement to administer or execute the agreement, an audit of the accounts and records of the agreement shall be made at least once each year by a certified public accountant or public accountant, and a report thereof shall be filed as a public record with each of the contracting parties to the agreement. Such reports shall be filed within 12 months after the end of the fiscal year under examination.

Any costs of the audit, including contracts with, or employment of, certified public accountants or public accountants, in making an audit pursuant to this section shall be borne by the agency or entity and shall be a charge against any unencumbered funds of the agency or entity available for the purpose.

All agencies or entities whose annual budget does not exceed five hundred dollars ($500), may, by unanimous request of the governing body thereof, with unanimous approval of the contracting parties replace the annual special audit with an audit covering a two-year period.

SEC. 3. Section 6506 of the Government Code is amended to read:

6506. The agency or entity provided by the agreement to administer or execute the agreement may be one or more of the parties to the agreement or a commission or board constituted pursuant to the agreement or a person, firm or corporation, including a nonprofit corporation, designated in the agreement. One or more of the parties may agree to provide all or a portion of the services to the other parties in the manner provided in the agreement. The parties may provide for the mutual exchange of services without payment of any consideration other than such services.

SEC. 4. Section 6509.5 of the Government Code is amended to read:

6509.5. Any separate agency or entity created pursuant to this chapter shall have the power to invest any money in the treasury pursuant to Section 6505.5 that is not required for the immediate necessities of the agency or entity, as the agency or entity determines is advisable, in the same manner and upon the same conditions as local agencies pursuant to Section 53601 of the Government Code.

If a nonprofit corporation is designated by the agreement to administer or execute the agreement for the parties to the agreement, it shall invest any moneys held for disbursement on behalf of the parties in the same manner and upon the same conditions as local agencies pursuant to Section 53601.

CHAPTER 210

An act to amend Section 11265 of the Welfare and Institutions Code, relating to public social services, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977.]

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

SECTION 1. Section 11265 of the Welfare and Institutions Code is amended to read:

11265. (a) The county shall redetermine eligibility annually. The county shall at the time of such redetermination, and may monthly or at such other intervals as may be deemed necessary, require the family to complete a certificate of eligibility containing a written declaration of such information as may be required to establish the continuing eligibility and amount of grant pursuant to Section 11004 of this code.

(b) The certificate shall include blanks wherein shall be stated the names of all children receiving aid, their present place of residence, the names and status of any other adults living in the home, the name, and if known, the social security number and present whereabouts of a parent who is not living in the home, and any outside income that may have been received through employment, gifts, or the sale of real or personal property.

Each adult member of the family shall provide, under penalty of perjury, the information necessary to complete such certificate.

(c) If the certificate is mailed to the family, it shall be accompanied by a stamped envelope for its return. In the event the certificate is not completed and returned within 10 days after it is mailed or personally delivered to the family, a home visit or other personal meeting shall be made to or with the family, and the certificate shall then be completed with the assistance of the social worker, if needed. If there is a refusal to complete such certificate, the warrant for the succeeding month may be withheld pending clarification of eligibility.

The department may adopt regulations providing for waiver of the deadline for returning the completed certificate when the recipient is considered to be mentally or physically unable to meet the deadline.

SEC. 2. The sum of seven hundred eighty-six thousand eight hundred dollars ($786,800) is hereby appropriated from the General Fund to the Department of Benefit Payments for the 1976–77 fiscal year for costs of the state's share of the administrative cost of administering the Out-of-Home Care in Nonmedical Care Facilities Program (Chapter 6.5 (commencing with Section 13900), Part 3,

Division 9, Welfare and Institutions Code).

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

Counties are expending funds for the administrative costs incurred and being incurred in the certifications in the Out-of-Home Care in Nonmedical Care Facilities Program for which the state is responsible for reimbursement. Inasmuch as federal funds were terminated subsequent to enactment of the 1976–77 State Budget, it is necessary that this act go into immediate effect to avoid county hardship.

CHAPTER 211

An act to amend Sections 9312, 18375, 18376, 18377, and 18379 of the Welfare and Institutions Code, relating to aged persons, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977]

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

SECTION 1. Section 9312 of the Welfare and Institutions Code is amended to read:

9312. In addition to any nutrition programs conducted under the McCarthy-Kennick Nutrition Program for the Elderly Act of 1972 (Chapter 5.7 (commencing with Section 18325), Part 6, Division 9 of this code), the department, with the approval of the Department of Finance, may make funds available from Section 17 of Chapter 157 of the Statutes of 1976 and Section 6 of this act to other nutrition projects serving the needs of individuals aged 60 or over provided by public or private nonprofit persons or agencies upon such terms and conditions as the department specifies.

SEC. 2. Section 18375 of the Welfare and Institutions Code is amended to read:

18375. The intent of this chapter is to assist city and county health agencies to provide preventive health care through public health nursing services to the aged.

SEC. 3. Section 18376 of the Welfare and Institutions Code is amended to read:

18376. The Department of Health may authorize the payment of state funds to defray in part the cost of projects or the continuation of projects under which the city or county health agency provides a program of scheduled visits by public health nurses to senior citizen housing and center facilities for health consultant services.

The state share of any such project shall not exceed 50 percent of

funds expended in connection with that project. City or county matching funds may be in the form of cash, facilities or services on the basis of a local project plan submitted to and approved by the department.

SEC. 4. Section 18377 of the Welfare and Institutions Code is amended to read:

18377. The Department of Health shall develop and establish guidelines for submission and approval of the city and county project plans. The department shall give priority to those cities and counties which have demonstrated the ability to provide public health nursing services to the aged.

SEC. 5. Section 18379 of the Welfare and Institutions Code is amended to read:

18379. The Department of Aging shall submit to the Legislature by December 1 of each year a report on the implementation of this chapter.

SEC. 6. Amounts appropriated in Item 278(a) of the Budget Act of 1976 for support of the Department of Aging are hereby appropriated for support of the Department of Aging and also for the purposes of Section 9312 of the Welfare and Institutions Code.

SEC. 7. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution, and shall go into immediate effect. The facts constituting such necessity are:

In order for city health agencies to be eligible for any funds appropriated to the State Department of Health for purposes of Section 18376 of the Welfare and Institutions Code for the 1977–1978 fiscal year, it is necessary for this bill to take effect immediately.

CHAPTER 212

An act to amend Section 12361 of the Penal Code, relating to bulletproof vests, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977]

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

SECTION 1. Section 12361 of the Penal Code is amended to read:

12361. (a) Before a bulletproof vest may be certified for purchase by the Department of Justice, the department, after consultation with the Department of the California Highway Patrol and the California State Police Division, shall determine that such vest will withstand without passing through the vest, the following U.S. commercial rounds fired at a distance not to exceed 10 feet: (1)

.357 magnum with a 158-grain lead round-nose bullet, 6-inch barrel, (2) nine-millimeter with a 124-grain full metal-jacketed bullet, 4½-inch barrel, and (3) .22 long rifle. Each vest shall be capable of withstanding no less than three multiple hits within two inches on center. Tests shall be conducted with the vests in a secure position against a backing material which allows an analysis and comparison of the backface deformation resulting from the impact of nonpenetrating rounds.

Each vest shall have a cover for hygienic purposes and to lessen the deterioration which accompanies each washing of a vest without a case.

(b) Nothing in this section shall restrict the Department of Justice, after consultation with the Department of the California Highway Patrol and the California State Police Division, from establishing a more stringent standard of certification for bulletproof vests.

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

Standards for certification of bulletproof vests, if they are to be purchased in time, must be altered immediately.

Also police officers would not receive these lifesaving vests until next year, if this bill does not go into effect immediately, compounding the current problem of the dangers these officers face.

CHAPTER 213

An act to amend Section 10552 of, and to add Sections 10557, 10558, 10559, 10560, and 22507.1 to, the Education Code, and to add Sections 20009.4 and 20019.2 to the Government Code, relating to educational data-processing and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977]

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

SECTION 1. Section 10552 of the Education Code is amended to read:

10552. The board of the independent data-processing center:

(a) Shall adopt rules and regulations for its own government

(b) Shall determine the location of the center.

(c) Shall establish and administer the operating budget of the center.

(d) May contract with public or private agencies for service.

(e) May contract with participating local educational agencies for

services. In such cases, the personnel of the local educational agency shall remain agency employees for all purposes.

(f) May borrow funds from the participating local educational agencies. Participating local educational agencies may lend funds to the center.

(g) May order expenditures from the data-processing center account in the county school service fund.

(h) May employ such staff as the board deems necessary, and determine the compensation thereof.

(i) May accept gifts and grants from private persons; firms; foundations; or federal, state, and local government.

(j) May sue and be sued in the name by which the center is designated.

SEC. 1.5. Section 10557 is added to the Education Code, to read:

10557. An independent data-processing center formed under this chapter is a public school employer within the meaning of subdivision (k) of Section 3540.1 of the Government Code.

SEC. 2. Section 10558 is added to the Education Code, to read:

10558. (a) Persons employed by the board of the independent data-processing center pursuant to subdivision (h) of Section 10552 are classified employees and their employment shall be governed by the provisions of Articles 1 through 6, inclusive, of Chapter 5 (commencing with Section 45100) of Part 25 of Division 3; provided, however, that the governing board of the independent data-processing center is not required by Section 45119 or Section 88019 to adopt a merit system.

(b) Classification pursuant to this section shall be deemed to have commenced on the date of a person's initial employment by the independent data-processing center, whether or not the date of initial employment preceded the effective date of enactment of this section.

(c) Classification pursuant to this section shall be deemed to have continued in existence without a break in service in the case of an employee (1) who, at any time during the 30 days immediately preceding being employed by the independent data-processing center, was a member of the classified service of one of the participating local educational agencies enumerated in Section 10550, (2) who, as of the effective date of Chapter 1067, Statutes of 1975, was employed by one of the participating local educational agencies so enumerated, and (3) who, between the times specified in paragraphs (1) and (2) of this subdivision, was continuously employed by one of the participating local educational agencies so enumerated, provided that the particular agency by which the employee was employed at the time specified in paragraph (1) above need not be the same as the particular agency by which such employee was employed at the time specified in paragraph (2) above.

SEC. 3. Section 10559 is added to the Education Code to read:

10559. Persons employed by the independent data-processing

center and classified pursuant to subdivision (c) of Section 10558 shall be considered as having transferred from the participating local educational agency by which they were employed immediately prior to being employed by the independent data-processing center and shall have transferred with them all accrued seniority, sick leave, and vacation benefits to which they were entitled on the last day of employment with such participating local educational agency; such transferred benefits shall be deemed to be in addition to and shall not be deemed to limit or affect the benefits to which such persons are entitled under Articles 1 through 6, inclusive, of Chapter 5 (commencing with Section 45100) of Part 25 of Division 3, provided that where such transferred benefits and the benefits to which such persons are entitled under Articles 1 through 6, inclusive, of Chapter 5 (commencing with Section 45100) of Part 25 of Division 3 are the same, the benefits shall only once be credited to such persons.

SEC. 4. Section 10560 is added to the Education Code, to read:

10560. Persons employed in the classified service of the participating local educational agencies enumerated in Section 10550 who were employed by the independent data-processing center at any time during the 30 days immediately preceding employment by such agencies and who, while employed by the independent data-processing center, were classified pursuant to subdivision (c) of Section 10558 shall be considered as having transferred from the independent data-processing center and shall have transferred with them all accrued seniority, sick leave, and vacation benefits to which they were entitled on the last day of employment with the independent data-processing center; such transferred benefits shall be deemed to be in addition to and shall not be deemed to limit or affect the benefits to which such persons are entitled under Articles 1 through 6, inclusive, of Chapter 5 (commencing with Section 45100) of Part 25 of Division 3, provided that where such tranferred benefits and the benefits to which such persons are entitled under Articles 1 through 6, inclusive, of Chapter 5 (commencing with Section 45100) of Part 25 of Division 3 are the same, the benefits shall only once be credited to such persons.

SEC. 5. Section 22507.1 is added to the Education Code, to read:

22507.1. Persons who are members on account of previous school employment as provided by this chapter and who are employed by an independent data-processing center formed pursuant to Article 2 (commencing with Section 10550) of Chapter 6 of Part 7 of Division 1 of Title 1 are members of the system.

SEC. 6. Section 20009.4 is added to the Government Code, to read:

20009.4. "Public agency" also includes independent data-processing centers formed pursuant to Article 2 (commencing with Section 10550) of Chapter 6 of Part 7 of Division 1 of Title 1 of the Education Code. An agency included pursuant to this section shall only provide benefits which are identical to those provided to a school member.

SEC. 7. Section 20019.2 is added to the Government Code, to read:

20019.2. "School member" includes all employees of independent data-processing centers formed pursuant to Article 2 (commencing with Section 10550) of Chapter 6 of Part 7 of Division 1 of Title 1 of the Education Code, which are contracting agencies, who have by contract, been included within this system.

SEC. 8. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be an appropriation made by this act because this act is in accordance with the request of a local governmental entity or entities which desires legislative authority to carry out the program specified in this act.

SEC. 9. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to clarify, and provide for continuity of, the status and employment benefits of persons employed by an educational independent data-processing center established pursuant to legislation enacted in 1975, it is necessary that this act take effect immediately.

CHAPTER 214

An act making an appropriation to the Regents of the University of California, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1977. Filed with Secretary of State June 30, 1977.]

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

SECTION 1. There is hereby appropriated from the General Fund to the Regents of the University of California the sum of four million one hundred thousand dollars ($4,100,000) for the uses and purposes specified in and subject to the provisions of Section 28.11 of the Budget Act of 1976 (Ch. 320, Stats. 1976).

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

In order to relieve fiscal penalties in the 1976–77 fiscal year for University of California teaching hospitals as a result of Medicare and Medi-Cal cost reimbursement limits, it is necessary that this act become effective immediately.

CHAPTER 215

An act to amend Section 2 of Chapter 297 of the Statutes of 1976, relating to health, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977]

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

SECTION 1. The Legislature finds and declares that:

(a) Recent studies have indicated that three to four percent of all live-born infants have significant birth defects and that 80 percent of these are due wholly or partially to genetic factors.

(b) Genetic counseling services which educate the public about the nature and risks of genetic disease and which are intended to assist those families affected by genetic disease to understand and cope with the disease can be cost-effective and beneficial preventive services.

(c) Genetic counselors who have been traditionally, almost exclusively, located in university-affiliated medical centers should be placed, on a pilot basis, in other health care facilities to provide genetic counseling services to those persons for whom such services are not presently available.

SEC. 2. In order to carry out the intent of Section 1 of this act, the Department of Health is authorized to establish a two-year pilot project to determine the effectiveness of genetic counselors in providing educational, outreach, and counseling services to the population at risk.

The Department of Health shall contract with facilities and programs to hire genetic counselors for a two-year period. Such facilities and programs shall be limited to those which provide health care services to families affected with genetic disease such as, county health departments, regional centers, community hospital genetic programs, and crippled children's service centers.

By January 1, 1978, the department shall select and contract with at least eight but no more than 10 facilities or programs from among those which apply for funds.

During the selection process, the department shall be cognizant of the need for the placement of genetic counselors in facilities and programs that service rural, minority and lower-income segments of the population.

The funds provided shall be used by the facilities to hire genetic counselors upon the approval by the department of the counselors qualifications. The genetic counselors shall be trained in genetic counseling, and shall provide the following services:

(a) Individual and group nondirective genetic counseling.

(b) Education of patients, lay public and other health professionals about genetics.

(c) Referral of persons determined to be at risk to a recognized medical facility that has available staff and laboratory resources to provide an accurate diagnosis.

The genetic counselor shall consult with a medical geneticist during the initial diagnoses and may hold further consultations during followup counseling. No genetic counselor shall make a diagnosis.

Each facility receiving funds shall report to the department by October 31, 1979, on the effectiveness of the genetic counselor in providing the required services.

The Department of Health shall report to the Legislature by January 1, 1980, on the overall effectiveness of the pilot program.

SEC. 3. Sections 1, 2, and 4 of this act shall be operative until June 30, 1980, and shall have no force and effect after that date.

SEC. 4. The sum of three hundred seventy thousand six hundred seventy-nine dollars ($370,679) is hereby reappropriated, from the unencumbered balance of the appropriation made by Item 293 of the Budget Act of 1976, as specified in project (d) (1) of such item, to the State Department of Health for expenditure, without regard to fiscal years, for the purposes of the program established under Section 2 of this act. No more than 10 percent of the funds appropriated pursuant to this section may be used by the State Department of Health for administration of such program.

SEC. 5. Section 2 of Chapter 297 of the Statutes of 1976 is amended to read:

Sec. 2. The sum of four hundred thousand dollars ($400,000) is hereby appropriated from the General Fund to the State Department of Health for expenditure pursuant to grants or contracts with facilities having research experience for programs by such facilities for basic research on lupus erythematous. The state department may enter into such grants or contracts.

Such grants or contracts are to be approved and such programs are to be monitored by a committee composed of a person appointed by the Secretary of the Health and Welfare Agency, a person appointed by the Speaker of the Assembly, and a person appointed by the President pro Tempore of the Senate.

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

In order to obtain needed funds which are currently available for expenditure for a program of genetic counseling that will protect the health and safety of the citizens of this state, it is essential that this act take effect immediately.

CHAPTER 216

An act to amend Section 2914 of the Business and Professions Code, relating to psychologists.

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977.]

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

SECTION 1. Section 2914 of the Business and Professions Code is amended to read:

2914. Each applicant shall comply with all of the following requirements:

(a) Be at least 18 years of age.

(b) Be of good moral character.

(c) Possess an earned doctorate degree (1) in psychology, (2) in education with the field of specialization in counseling psychology or educational psychology, or (3) in educational psychology or possess an earned doctorate degree deemed equivalent by the committee in regulations duly adopted under this chapter. Such degree or training shall be obtained from the University of California, Stanford University, the University of Southern California, or from an accredited or approved college or university or any other educational institution approved by the committee as offering a comparable program in regulations duly adopted under this chapter.

No educational institution shall be denied recognition as an accredited or approved academic institution solely because its program is not accredited by any professional organization of psychologists, and nothing in this act or in the administration of this act shall require the registration with the committee by educational institutions of their departments of psychology or their doctoral programs in psychology.

(d) Have engaged for at least two years in supervised professional experience under the direction of a licensed psychologist or such suitable alternative supervision as determined by the committee in regulations duly adopted under this chapter, at least one year of which shall be after being awarded the doctorate in psychology.

(e) Have not, within the preceding six months, failed an examination given by the committee.

CHAPTER 217

An act to amend Sections 380 and 707 of the Probate Code, relating to decedents' estates.

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977.]

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

SECTION 1. Section 380 of the Probate Code is amended to read:

380. When a will has been admitted to probate, any interested person, other than a party to a contest before probate and other than a person who had actual notice of such previous contest in time to have joined therein, may, within 120 days after the date the court admits the will to probate as recorded in the minutes by the clerk pursuant to the provisions of Section 332 of this code, contest the same or the validity of the will. For that purpose he must file in the court in which the will was proved a petition in writing, containing his allegations against the validity of the will or against the sufficiency of the proof, and praying that the probate be revoked.

SEC. 2. Section 707 of the Probate Code is amended to read:

707. (a) Except as provided in subdivision (b) or Section 707.5 or Section 720, all claims arising upon contract, whether they are due, not due, or contingent, and all claims for funeral expenses and all claims for damages for injuries to or death of a person or injury to property and all claims against the executor or administrator of any testator or intestate who in his lifetime has wasted, destroyed, taken or carried away or converted to his own use, the property of another person or committed any trespass on the real property of another person, must be filed or presented within the time limited in the notice or as extended by the provisions of Sections 702 and 709 of this code; and any claim not so filed or presented is barred forever, unless it is made to appear by the affidavit of the claimant to the satisfaction of the court or a judge thereof that the claimant had not received notice, by reason of being out of the state, in which event it may be filed or presented at any time within one year after the expiration of such prescribed period and before petition for final distribution has been filed; provided, neither the filing or presentation of such claim nor its later establishment, in whole or in part, shall make property distributed pursuant to court order or any payments properly made before filing or presentation of such claim subject to the claim. The clerk must enter in the register every claim filed, giving the name of the claimant, the amount and character of the claim, the rate of interest, if any, and the date of filing.

(b) The filing and presentation of a claim is not required as a prerequisite to commencing an action against the decedent for damages for injury to or for the death of a person caused by the wrongful act or neglect of the decedent or to recover upon a judgment obtained in the action if (1) the decedent had liability insurance applicable to the cause of action, (2) the amount of damages sought in the action does not exceed the maximum amount of such insurance, or recovery in excess thereof is waived, and (3) the estate of the decedent otherwise qualifies for summary probate proceedings pursuant to the provisions of Section 630 of the Probate Code. If the amount of damages sought in the action exceeds the maximum amount of the insurance, filing and presentation of a claim

is required only with respect to the amount sought in excess of the maximum amount of the insurance. The defendant in the action may be designated as "Estate of (name and decedent), Deceased". No action shall be maintained under this subdivision unless the insurer has been served with a copy of the complaint.

CHAPTER 218

An act to amend Section 19612 of, and to add Section 19612.3 to, the Business and Professions Code, relating to horseracing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1977. Filed with Secretary of State June 30, 1977]

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

SECTION 1. Section 19612 of the Business and Professions Code is amended to read:

19612. (a) With respect to racing other than thoroughbred, every association which conducts a meeting shall distribute on all money not in excess of twenty million dollars ($20,000,000) handled in its parimutuel pools for such racing the base percentage amounts as follows: 6.10 percent license fee; 3.91 percent purses; and 5.74 percent commission.

(b) With respect to racing other than thoroughbred racing, every association shall distribute on the amount handled in excess of twenty million dollars ($20,000,000) in addition to the base rate, the following amounts:

(1) As to those associations handling more than twenty million dollars ($20,000,000) but not more than forty million dollars ($40,000,000), on such amount as exceeds twenty million dollars ($20,000,000): 5.70 percent license fee; 4.07 percent purses; and 5.98 percent commission.

(2) As to those associations handling more than forty million dollars ($40,000,000) but not more than seventy-five million dollars ($75,000,000), on such amount as exceeds twenty million dollars ($20,000,000): 6.55 percent license fee; 3.72 percent purses; and 5.48 percent commission.

(3) As to those associations handling more than seventy-five million dollars ($75,000,000) but not more than one hundred twenty million dollars ($120,000,000), on such amount as exceeds twenty million dollars ($20,000,000): 6.85 percent license fee; 3.60 percent purses; and 5.30 percent commission.

(4) As to those associations handling more than one hundred twenty million dollars ($120,000,000) but not more than one hundred eighty million dollars ($180,000,000) on such amount as exceeds twenty million dollars ($20,000,000): 7.15 percent license fee; 3.48

percent purses; and 5.12 percent commission.

(5) As to those associations handling more than one hundred eighty million dollars ($180,000,000) on such amount as exceeds twenty million dollars ($20,000,000): 7.45 percent license fee; 3.36 percent purses; and 4.94 percent commission.

SEC. 2. Section 19612.3 is added to the Business and Professions Code, to read:

19612.3. Notwithstanding any other provision of law, with respect to harness racing an additional 1 percent of the parimutuel pool shall be retained and shall be distributed equally between license fees, purses, and commissions from January 1, 1977, until December 31, 1986. From January 1, 1987, and thereafter, the additional retention from harness racing parimutuel pools shall be decreased to 0.5 percent and shall be distributed equally between license fees, purses, and commissions.

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

There currently exists an ambiguity with respect to the intent of the Legislature in adding subdivision (c) to Section 19612 of the Business and Professions Code. In order to clarify that intent it is necessary that this act take effect immediately.

CHAPTER 219

An act making appropriations for the support of the government of the State of California and for several public purposes in accordance with the provisions of Section 12 of Article IV of the Constitution of the State of California, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1977 Filed with Secretary of State June 30, 1977.]

To the Members of the Legislature of California·

I wish to commend you for the work you have done in scrutinizing this budget. As signed, it sets our course for the coming year. Together, we have tried to serve human needs within the tax dollars made available by the people.

Government, no less than the individual, must respect limits. For out of such restraint, new possibilities emerge

I object to the following appropriations in Assembly Bill No. 184·

Item 16—For support of Supreme Court of California, Courts of Appeal, Judicial Council of California, and Commission on Judicial Qualifications I reduce this item from $18,561,808 to $18,411,808

I am reducing this Item by $150,000. LEAA funds for the Calendar Management Technical Assistance Team (CMTAT) are no longer available and I believe that there are sufficient resources in the courts to allow them the discretion to allocate funds to whatever they feel is their highest priority program.

Item 21—For support of the Judges' Retirement System I reduce this item from

$472,322 to $41,343

I am working with the California Judges' Association to solve the unfunded liability of the Judicial Retirement System I will be presenting legislation to accomplish this objective I am also eliminating language related to this reduction

Item 22—For local assistance, Judges' Retirement System I reduce this item from $5,872,041 to $517,351

I am working with the California Judges' Association to solve the unfunded liability of the Judicial Retirement System I will be presenting legislation to accomplish this objective I am also eliminating language related to this reduction

Item 55 5—For local assistance in implementing Chapter 704, Statutes of 1975, relating to postcard voter registration I reduce this item from $2,359,121 to $492,385 by reducing (b) 1977–78 fiscal year reimbursements from $1,063,953 to $492,385 and by eliminating (a) 1976–77 fiscal year reimbursements ($1,295,168)

I am eliminating current year reimbursements of $1,295,168 for postcard voter registration to local government because appropriate reimbursement is available through the State Board of Control

Item 106—For support of the Franchise Tax Board I eliminate language

I am eliminating the following language in this item because it raised a serious constitutional issue of the separation of powers

"provided, further, that except as otherwise provided in this item, no funds appropriated by this act may be expended for any campaign audits unless such audits are conducted according to audit standards promulgated by the American Institute of Certified Public Accountants, and no funds appropriated by this act may be used for audit inquiries of more than 10 percent of the campaign transactions subject to the audit, which 10 percent sample shall be by letter that only requires the contributor to verify the amount reported and requires a response only in the case where the contributor's records differ from the reported amount, provided, further, that no funds appropriated by this act may be expended for an audit of more than 25 percent of the campaign expenditures, determined on the basis of the total number of such transactions, irrespective of the dollar amounts involved in such transactions, of any candidate subject to Section 90001 of the Government Code and provided, further, however, that if the Franchise Tax Board finds, after making an initial audit, an indication of fraud, further investigation of such fraud may be conducted to establish whether material facts have been deliberately concealed, irrespective of the limitations on audits set forth in this item "

Item 108.1—For the transfer to the Service Revolving Fund I reduce this item from $2,000,000 to $600,000

I am reducing this item to $600,000 which will extend the level approved for the 1976–77 fiscal year Since only $400,000 of the prior $1,000,000 appropriation was expended during 1976–77, I am not convinced that the need for a greater level of expenditure has been demonstrated

Item 114—For support of Department of General Services I adjust this item by reducing (b) Operating expenses and equipment from $90,579,411 to $89,179,411 and Amount payable from the General Fund (Item 108 1) from −$2,000,000 to −$600,000

I am reducing these subitems to correspond with action taken in regard to Item 108 1

Item 146—For local assistance, Department of Housing and Community Development I reduce this item from $875,000 to $800,000 by reducing (b) Low income home management training program from $250,000 to $175,000.

I am reducing this item to the current year level The Department has demonstrated that this amount is adequate to attract local participation for this program

Item 160 1—To the Department of Transportation for allocation by the California Highway Commission I reduce this item from $519,311,000 to $496,566,000 by reducing (a) Maintenance and rehabilitation improvements from $291,644,000 to $273,895,000, (b) System operations and operating improvements from $197,645,000 to $190,372,000 and (e) New facilities from $389,338,000 to $323,377,000, and (j) Federal funds from −$430,233,000 to −$361,995,000

The reductions in state funds in this item still provides close to $33 million more than the Commission's latest revised budget This will give the Commission and Department sufficient latitude to handle any contingencies which may occur in 1977–78

Item 164—For support of Department of Motor Vehicles I reduce this item from $4,383,167 to $135,266

I am eliminating the augmentation of $4,247,901 because the use of the General Fund to fund motor vehicle-related functions is a precedent which should not be set

Item 189—For local assistance to counties in the operation of local air pollution control districts, State Air Resources Board I reduce this item from $4,500,000 to $2,800,000

The Supplementary Report of the Committee on Conference requests that the issue of the division of responsibilities between the State Air Resources Board and local air pollution control districts be studied It would be inappropriate to substantially increase state financial assistance before the results of that study are known

Item 203 5—For support of Department of Fish and Game I eliminate this item because I intend to approve Title II Federal funds to provide positions to assist game wardens

Item 236 4—For support of State Water Resources Control Board I eliminate this item A study of the methods of controlling the rising level of the Salton Sea is a low-priority study since the potential for success is minimal

Item 241—For support of Department of Health I reduce this item from $59,062,139 to $58,581,049 by reducing (a) Personal services from $113,428,120 to $113,204,568, and (b) Operating expenses and equipment from $49,504,831 to $49,247,293

I am eliminating the $154,477 General Fund augmentation for five proposed new positions for Solid Waste Management The Solid Waste Management Board is the single state agency responsible for formulating and adopting state policy for solid waste management Therefore, any additional positions for this activity should be funded by the Solid Waste Management Board I am therefore requesting the Solid Waste Management Board to enter into an interagency agreement with the Department of Health to fund these positions in Health

I am eliminating $153,770 General Fund augmentation in the X-ray machine inspection program While I support the concept of reducing the interval between inspection of X-ray machines, any increase in services in this program is more appropriately funded from X-ray machine registration fees

I am eliminating $55,000 added to provide for a child psychiatrist position in the Treatment Services Division's Mental Health Services program Individual county mental health programs currently employ such specialists to provide services to children and adolescents as needed Since the provision of such service is a local responsibility, the State has marginal need for such a highly specialized position

I am reducing the General Fund augmentation to this item to fund pesticide studies from $214,843 to $97,000 The eliminated research relates more to economics than health

I am eliminating the following language in this item "Provided, further, that the director shall adopt and implement regulations, for the period January 1, 1978, to June 30, 1978, that establish a payment rate for skilled nursing facilities which is sufficient to provide a wage rate for nonadministrative employees which is equal to the median entry level wage rate for comparable classes of employment in general hospitals. The director shall inspect relevant payroll records of skilled nursing facilities to insure that the wage increases provided in this item have been implemented Any facility which the director finds has not made the wage increases provided in this item shall be liable to the state for the amount of funds paid to such facility pursuant to this item "

This language would require the Medi-Cal program to fund salaries in nursing homes according to a formula over which the state has no control I have also eliminated the augmentation in Item 253 which was added in furtherance of this policy

Item 245—For assistance to local agencies in the establishment and operation of mental health services, Department of Health.

I am approving the legislative augmentation of $3,000,000 for this item and the added language However, I am advised by the Attorney General's Office that it is unclear what local treatment programs for "minors" may be funded under subitem (c) of Item 245 Further, the Department of Health and Department of Finance have discretion to determine which, if any, of these programs would be allocated monies appropriated under subitem (c), therefore with the augmented funding I am instructing the Department of Health to implement the diversion to local facilities of persons described in Section 5150 of the Welfare and Institutions Code or Section 4011 6 of the Penal Code who would otherwise be served through state hospitals

I believe that deinstitutionalization represents sound policy for all patients

Item 246—For local assistance for narcotics and drug abuse program, Department of Health I reduce this item from $19,503,490 to $16,503,490 by reducing (a) Local assistance from $33,726,911 to $30,726,911

I am eliminating $3,000,000 added for increasing the State's drug abuse program, and striking the related Budget Act language " , and provided, further, that no county shall receive an allocation from the $3,000,000 appropriated in this item for program expansion unless the county maintains its expenditures for existing programs at the levels at which they were funded by the county in the 1976–77 fiscal year " There is not sufficient evidence of program effectiveness to justify the augmentation

Approximately $5 million was transferred to this program from mental health services This will enable the counties an opportunity to integrate all county drug services under a single system and establish priorities of service I am asking the Department of Health to closely scrutinize drug services for program effectiveness and efficiencies

Item 247—For local assistance for the Developmental Disabilities Program, Department of Health I reduce this item from $277,704,387 to $277,104,387 by reducing (d) Community program development and special projects from $2,207,981 to $1,607,981

I am reducing $600,000 added for community program development efforts The Program Development Fund established by Chapter 1369, Statutes of 1976, will provide this amount and will also be augmented by revisions of parental fee regulations Funds will be available for establishing new programs for the developmentally disabled.

Item 252—For special social services, Department of Health I reduce this item from $125,317,392 to $120,741,241 by reducing (a) Child Development Services from $49,351,923 to $42,685,256, (h) Demonstration programs from $2,592,102 to $2,275,000 and (i) Other County Social Services from $142,548,406 to $138,289,357, (j) Reimbursements from −$18,851,011 to −$17,184,344 and (k) Federal funds from −$247,316,742 to −$242,316,742

I am reducing category (a) child development services, by $6,666,667 from $49,351,923 to $42,685,256 This is a technical adjustment to reflect reductions in Item 292, child development programs. This amount includes a reduction of $5,000,000 in (k) federal funds and a reduction in (j) the transfer from Item 292 of $1,666,667 I am also reducing the $37,213,932 designated in the control language for category (a) child development services to $32,213,932 to reflect the above reduction of $5,000,000 in federal funds

I am eliminating the $317,102 augmentation for Child Sexual Abuse I am supportive of the program and have directed the Department of Health to use Federal Title IVB funds for the program in lieu of this General Fund appropriation

I am reducing the General Fund appropriation for (i) "Other county social services" by $4,259,049 leaving $13,835,229 of the legislative augmentation I am approving this amount because it provides funds to allow each county to receive at least the same amount as in 1976–77, plus an increase of 6 percent cost-of-living adjustment on both state and federal appropriations Such additional state funding is necessitated by the failure of the federal government to meet cost of living increases Prior to last year no state funds were used for this purpose

Item 253—For the State's share of rate increases for providers under the Medical Assistance Program and other local assistance programs I reduce this item from $100,767,442 to $64,667,442 by eliminating an additional 20 percent rate increase for

Emergency Room Physicians ($6,100,000), 6 percent rate increase for Physician Services ($13,600,000), Wage increase for Nursing Home Employees ($15,900,000) and Emergency Medical Transportation ($500,000)

Through the enactment of AB 4242 (Chapter 1207/76) the Medi-Cal program provided an overall increase of 19 8 percent for physician rates In my judgement the substantial rate increase is adequate

In addition, this year emergency room physician rates were increased from 60 percent of physician services to 80 percent This increase along with the general increases contained in AB 4242 results in an overall increase from 1975–76 to 1976–77 of 40 percent In recognition that emergency room physicians have less overhead costs than private practice physicians such reimbursement is sufficient Since I have eliminated the augmentation for emergency room physician, I am also eliminating the corresponding control language as follows

"provided, that the Department of Health shall promulgate regulations establishing Medi-Cal reimbursement rates for emergency room physicians providing medical service in hospital emergency departments at 100 percent of the maximum reimbursement rates allowed for physician services "

Since August 1975 over a 50 percent increase has been provided through the Medi-Cal program to nursing homes In addition, funds are included within this item to provide a 6 percent increase for employee salaries and other cost increases The intent of these increases together with other training and staffing increases is to improve the quality of nursing home care I have therefore eliminated this augmentation and the language in Item 241 requiring this action

I am reducing the amount contained in this item for emergency medical transportation from $1,900,000 to $1,400,000 which is the funding necessary to offset the rapid cost increases experienced by Medi-Cal emergency transportation providers

Item 263—Approval of certain regulations by the Joint Legislative Budget Committee

I eliminate the following language from this item

" or approved by the Joint Legislative Budget Committee "

Such language constitutes an encroachment upon the duties and responsibilities of the executive branch in violation of the separation of powers provision of Article III, Section 3 of the California Constitution

Item 265—For local assistance the State's share of the Non-Federal Administrative costs of administering the costs of welfare programs, Department of Benefit Payments I reduce this item from $72,527,100 to $72,494,200 by reducing (a) AFDC Administration from $57,882,800 to $57,849,900

I am eliminating $32,900 added to fund the county share of administrative costs associated with regulations clarifying procedures for immediate need payments to welfare recipients Legislation which requires these payments was passed in 1971, well before enactment of SB 90 Therefore, the State is not obligated to finance county costs

Item 274 5—For administrative costs of the Department of the Youth Authority I eliminate this item

I am eliminating this item because the appropriation in Item 274 6 continues support of the Sugar Ray Youth Foundation which is funded in the current year Therefore, additional support of the department is unnecessary

Item 274 6—For contracting with public or private agencies, Department of the Youth Authority I reduce this item from $834,861 to $362,000

I am reducing this item by $472,861 to continue to provide support for the Sugar Ray Robinson Youth Foundation which is funded in the current year There are federal programs such as revenue sharing and Law Enforcement Assistance Administration which can serve as sources of public funds for private youth foundations

Item 283—For local assistance of the Early Childhood Education Program I reduce this item from $113,297,000 to $103,297,000 by reducing (a) Total program from $114,572,188 to $104,478,108, and (b) Less administration (shown in Item 300) from

−$1,275,188 to −$1,181,108

I am reducing this item by $10,000,000 Expansion of the ECE program is a matter which should be considered in conjunction with the Serrano-Priest school financing issue

Item 283 3—For local assistance, Early Childhood Education Program. I eliminate this item

I am eliminating this item because it should be considered in conjunction with the Serrano-Priest school financing issue

Item 285—For local assistance, Educationally Disadvantaged Youth Program I reduce this item from $103,870,232 to $97,554,936 by reducing (a) Total Program from $104,824,948 to $98,509,652

I am reducing this item $6,315,296 Any inflation adjustment for the EDY program should be considered in conjunction with the Serrano-Priest school financing issue

Item 292—For local assistance, Child Development Programs I reduce this item from $66,706,230 to $65,490,037 by reducing

(a) Child Care Programs from . .	$54,081,230	to	$52,865,037,
(1) Child Care Programs from	92,592,856	to	86,376,663,
(A) General Child Care administration from	2,250,964	to	2,173,964,
(C) Subventions			
(1) Children's Centers from	70,192,973	to	68,597,973,
(2) School districts and county superintendents from	(52,836,600)	to	(52,274,100),
(3) Private, community-based agencies from .	(17,356,373)	to	(16,323,873),
(5) County Child Care Services from . .	4,356,000	to	4,201,000,
(6) High-School-Age Parents from . . .	2,369,193	to	1,230,000,
(7) Migrant day care from	2,996,000	to	2,246,000,
(2) Reimbursements from . .	−38,054,626	to	−33,054,626,
		and	
(B) Subventions from . .	−37,000,448	to	−32,000,448,

and by eliminating

(10) Vouchers	$1,000,000,
(11) Resource and referral	500,000,
	and
(12) Unscheduled child development program expansion	1,000,000.

The action I have taken on this item will.

1. Reduce the augmentation of the High-School-Age Parenting Program to $635,000. The reduced augmentation represents a 100 percent increase over previous-year funding and will facilitate an orderly expansion of the program
2. Remove the legislative augmentation of $5 million in federal Title XX Social Services funds. If child care programs are initiated with these federal funds, these programs must meet restrictive federal staffing standards that contribute to the high unit cost of child care The State has already taken action to release many existing child care programs from these requirements by replacing $15 million in federal funds with state funds, with the intent of serving more children The legislative augmentation of federal funds for child care would counteract this effort

To address the need for child development services, I will support special urgency legislation to provide an additional $5 million in state General Funds for the innovative child care program immediately upon return of the Legislature in August.

Item 300—For support of Department of Education. I reduce this item from $15,506,688 to $15,412,608 by reducing (a) Personal services from $33,418,749 to $33,337,669, (b) Operating expenses and equipment from $25,373,888 to $25,283,888, (i) Amounts payable from local assistance appropriations from −$3,065,370 to −$2,988,370.

As a result of my action on the $10 million ECE expansion in Item 283, I am reducing this item by the amount of related ECE administrative costs. The appropriation schedule for this item is to be further reduced $77,000 to account for the effects of my

reduction of the high-school-age parenting program which flows through Item 300 from Item 292

Item 300 1—For local assistance, Mentally Gifted Minors Program I eliminate this item

I am eliminating this item because the Mentally Gifted Minors program has enrollments above those authorized by current law and increased support to continue these overenrollments is inappropriate

Item 311—For support of University of California I reduce this item from $692,857,956 to $692,253,256

I am eliminating the $604,700 augmentation for employee affirmative action in the firm belief that such programs should be part of the on-going activities of the University system and should be funded from currently budgeted funds

Item 311 1—For support of University of California, Human Sexuality Program I eliminate this item

I am eliminating this item because it is more appropriately considered within the University support budget

Item 322.1—For support of University of California for deferred maintenance projects I eliminate this item.

I am eliminating this item as inappropriate for General Fund support

Item 324—For support of California State University and Colleges I reduce this item from $639,767,750 to $637,814,609 by reducing (a) Personal services from $621,137,521 to $620,438,313, (b) Operating expenses and equipment from $139,699,000 to $138,445,067

I am reducing this item for the following reasons:

1 Student writing skills—remedial course work . . $500,000
I requested and the Legislature provided an augmentation to the budget as submitted of $270,000 to develop and administer a test to identify entering CSUC freshmen who lack necessary writing skills However, I believe that remedial course work for those students should be provided within CSUC's existing funds For example, these courses could be given for credit in lieu of elective courses presently offered For these reasons, I am eliminating this augmentation

2 Instructionally related activities $1,000,000
I am eliminating the $1,000,000 augmentation which would increase state support of these instructionally-related activities which include radio, TV, film, music and dance performance, drama and musical productions, publications and forensics The budget as submitted contained $510,810 for this program which continues the 1976–77 level of funding I believe this amount constitutes the appropriate level of state support for this program

3 Capital Experience Program $86,269
I am eliminating the special augmentation for this program since it should, if of sufficient priority, be funded from existing resources

4 Unemployment Insurance $200,000
I am reducing this augmentation to the 1976–77 level which, I believe, will be sufficient

5 Affirmative Action $166,872
I am eliminating this augmentation because I believe the amount included in the budget as submitted to the Legislature for general recruiting is sufficient

Item 326—For support of Board of Governors of the California Community Colleges I reduce this item from $2,402,127 to $2,326,029 by reducing (a) Personal services from $2,971,752 to $2,917,962, and (b) Operating expenses and equipment from $1,131,791 to $1,109,483

I am eliminating the $66,474 augmentation for a Washington, D C , Office because, if needed, this should be supported from Community College District funds

I am eliminating the $9,624 augmentation for an increase in the Chancellor's salary

because there are sufficient funds within the Board of Governors' Budget if a salary increase is granted

Item 329—For support of Student Aid Commission I reduce this item from $2,777,267 to $2,749,167 by reducing (b) Operating expenses and equipment from $1,152,661 to $1,124,561

I am eliminating the $28,100 augmentation for the Student Aid Information Program The $80,000 originally budgeted and the reappropriation of $30,000 for information dissemination activities is an adequate level of funding for this new program for 1977–78

Item 330—For support of Cal Grant Program (awards) I reduce this item from $65,790,365 to $65,538,848 by reducing (c) Occupational education and training grants (Cal grants(c)) from $3,115,902 to $2,864,385

I am eliminating the $251,517 augmentation for Cal Grants provided by the Legislature from this program element This reduced amount will result in the same number of awards as approved by the Legislature and the average amount for Occupational Education and Training Grants for 1977–78 will be approximately 29% higher than the average amount budgeted for 1976–77

Item 331—For support of grants and graduate fellowship awards I reduce this item from $4,315,000 to $2,515,000 by reducing Fellowships for (a) Graduate Study from $3,800,000 to $2,000,000

I am eliminating the $1,800,000 augmentation for graduate fellowship awards For the past two years, the $2 million level of funding has never been fully utilized specifically for graduate fellowship awards Surplus funds have been redirected to other grant programs Therefore, I believe this augmentation would be excessive and would significantly overfund this program However, I have directed my staff to conduct an evaluation of this program and have requested a report by September 1, 1977

Item 340 1—For support of Public Broadcasting Commission

I am eliminating the legislative augmentation of $5,424 and the language requiring the Department of Finance to establish the executive secretary's salary at $30,684 The determination of appropriate salaries for exempt positions is established by law and is the responsibility of the Department of Finance

Item 347—For support of The Commission on the Status of Women I reduce this item from $281,120 to $231,120

I am reducing this Item by $50,000 for Title IX informational seminars because the Department of Education is providing the local school districts with the necessary assistance in developing strong participatory Title IX programs The Commission should work with the Department of Education in this area.

Item 364—For local assistance to reimburse the costs which relate to guardianship and conservatorship proceedings I reduce this item from $3,600,000 to $2,217,000

Recent analysis of the costs associated with this program indicate a need of only $2,217,000 Incidentally, the amount I am approving is $1,617,000 over the amount originally budgeted

Item 379—For Salary Increase Fund, civil service and related classes I reduce this item from $106,656,000 to $81,700,000.

This 7½% average Salary Increase Program is sufficient to offset the impact of inflation and is in line with the average collective bargaining settlement negotiated in the public sector of California employment This action also reduces the salary increase specified for State officers whose salaries are specified by statute and whose compensation is paid from the General Fund, from 10 1 percent to 7 5 percent

I have also signed today AB 249 which provides for an increase in the State's contribution for health benefits

Item 379 1—For Salary increases, UC Faculty I reduce this item from $20,670,000 to $15,900,000.

I am providing faculty employees of the University of California with a 5% salary increase Such increase is in line with the recommendation of the Postsecondary Education Commission

I am also eliminating the following amount and control language

"and provided, further, that $4,770,000 of the funds appropriated in this item shall be used to pay an equal, flat-dollar amount salary increase to all faculty and faculty-related positions".

Item 379 2—For salary increases for University of California non-faculty employees I reduce this item from $27,068,000 to $20,100,000

I have approved in Item 379 funds which will provide an average salary increase of 7 5% to State civil service employees I believe that the same percentage increase is appropriate for the nonfaculty employees at the University of California

Item 379 3—For Salary increases, CSUC academic employees I reduce this item from $24,635,000 to $18,950,000

I am providing academic employees of the California State University and Colleges with a 5% salary increase Such salary increase is in excess of the recommendation of the Postsecondary Education Commission.

I am also eliminating the following amount and control language

"and provided, further, that $5,680,000 of the funds appropriated in this item shall be used to pay an equal, flat-dollar amount salary increase to all academic and academic-related positions."

Item 379.4—For salary increases for California State University and Colleges nonacademic employees I reduce this item from $20,200,000 to $15,000,000.

I have approved in Item 379 funds which will provide an average salary increase of 7.5 percent to state civil service employees I believe that the same percentage increase is appropriate for the nonacademic employees of the California State University and Colleges.

Item 380—For Salary Increase Fund, civil service and related classes. I reduce this item from $38,178,000 to $29,640,000

This 7½% average Salary Increase Program is sufficient to offset the impact of inflation and is in line with the average collective bargaining settlement negotiated in the public sector of California employment This action also reduces the salary increase specified for State officers whose salaries are specified by statute and whose compensation is paid from special funds from 10 1 percent to 7.5 percent.

Item 381—For Salary Increase Fund, civil service and related classes I reduce this item from $64,236,000 to $43,860,000

This 7½% average Salary Increase Program is sufficient to offset the impact of inflation and is in line with the average collective bargaining settlement negotiated in the public section of California employment

This action also reduces the salary increase specified for State officers whose salaries are specified by statute and whose compensation is paid from nongovernmental cost funds from 10.1 percent to 7 5 percent

Item 392.1—For capital outlay, Department of Transportation I eliminate this item

I am eliminating this item on the basis that Item 392.2 contains adequate funds for these types of projects.

Item 410—For capital outlay, Department of Corrections I reduce this item from $2,022,628 to $1,964,628 by eliminating (h) Construct pump station and interceptor ($58,000).

I am deleting the augmentation of $58,000 to complete a pump station and interceptor at the California Institution for Women which was started in 1975 Through administrative action, the Public Works Board has provided funding to complete this project Therefore, this augmentation is not needed

Item 419—For capital outlay California State University and Colleges I reduce this item from $27,301,000 to $24,247,000 by eliminating paragraphs (32) Working drawings and construct initial building conversion ($266,000), (34) Working drawings and construct theater arts building ($2,523,000), and (36) Preliminary plans and working drawings for music building ($265,000)

I am eliminating these subitems because they are not considered to be of high priority in view of the greater systemwide needs for library facilities, such as the library at Polytechnic State University, San Luis Obispo which I have approved.

Item 419.1—For capital outlay, California State University and Colleges.

I am eliminating this item which appropriates $2,000,000 for acquisition of land

contiguous to California State Polytechnic University I am requesting that the Trustees study the situation and develop a plan to insure that the California State Polytechnic University, Pomona remain an agricultural institution and submit these recommendations in a subsequent budget proposal

Item 425—For capital outlay, Board of Governors of the California Community Colleges. I reduce this item from $32,329,300 to $26,767,200 by eliminating paragraphs

	Sierra Joint Community College District, Sierra College	
(71)	Working drawings and construct early childhood education center	$256,500
	Coast Community College District, Orange Coast College	
(74)	Working drawings and construct parent preschool educational building	$399,400
	West Valley Joint Community College District, Mission College	
(75)	Working drawings for environmental and applied sciences	$339,100
	State Center Community College District, Reedley College·	
(79)	Construct and equip agriculture instructional farm, phase I .	$270,300
	Rancho Santiago Community College District, Orange Canyon Education Center	
(80)	Site acquisition	$2,375,900
	West Valley Joint Community College District, Mission College	
(85)	Working drawings and construct physical education facilities, phase II	$397,500
	Peralta Community College District, Feather River College	
(86)	Working drawings and construct outdoor physical education facilities	$509,000
	State Center Community College District, Reedley College	
(89)	Working drawings and construct performing arts building, unit "B"	$1,014,400

I am reducing this item for the following reasons

The Bond Fund that traditionally has provided financing for the Community Colleges is exhausted It has been necessary to use the Capital Outlay Fund for Public Higher Education to provide financing for Community College projects However, the use of residual bond funds has allowed me to approve additional projects that meet the criteria without increasing the demand on the COFPHE Fund I have eliminated the balance of these projects in this item since they are not necessary to protect life and safety, to make existing facilities operable, meet critical program capacity needs at existing campuses or they can be deferred until such time as additional bond funds are made available

Item 427.6—For Capital Outlay, Board of Governors of the California Community Colleges I eliminate this item.

The bond fund that traditionally has provided financing for the community colleges is exhausted. It has been necessary to use the Capital Outlay Fund for Public Higher Education to provide financing for community college projects Because of this increased demand on limited funds in the Capital Outlay Fund for Public Higher Education, I believe it is necessary to eliminate all projects in this item since they are not necessary to protect life and safety, to make existing facilities operable, meet

critical program capacity needs at existing campuses or they can be deferred until such time as additional bond funds are made available

Item 446—For capital outlay, University of California Health Sciences I reduce this item from $24,698,000 to $24,548,000 by eliminating paragraph (20) Site acquisition, San Joaquin Valley Veterinary Medicine Clinical Facility ($150,000)

I am eliminating this item because the actual site to be purchased has not been chosen. In addition, I have questions about the necessity for this project

Section 10 25—Reappropriation to the California State University and Colleges to provide for overenrollments at small campuses I eliminate this item

I am eliminating this section on the basis that the California State University and Colleges has the ability to accommodate any such increases in enrollment within the funds appropriated in this budget

Section 10 35—Reappropriation to the California State University and Colleges to provide for the elimination of safety hazards I eliminate this item

I am eliminating this section on the basis that the purposes for which these funds are requested should be reviewed during the normal budgetary process and any approved proposals should be funded in regular budget items

Section 19 6—For augmentations to Items 330 and 331(a) of this act I reduce the amounts under (c) of this section from $2,060,317 to $1,894,007 and (d) from $3,800,000 to $2,000,000 These changes reflect the actions I have taken on Items 330 and 331

I am reducing the amounts under Section 19 6(c) and (d) in accordance with the elimination of the legislative augmentations to Items 330 and 331

Section 28 05—For approval of federal funds for Social Services by the Joint Legislative Budget Committee

I am eliminating the first paragraph of Section 28 05, which reads as follows

"Notwithstanding any other provision of this act, if any federal funds for social services not taken into consideration by this act, are proposed, by the Director of Finance, as an augmentation for any category of any item pursuant to the provisions of Section 28 of this act, such augmentation shall be subject to approval by the Joint Legislative Budget Committee "

I have been advised by the Attorney General's Office that such language makes substantive changes in the laws governing the deposit and appropriation of federal funds in violation of the one subject limitation of Article IV, Section 9 of the California Constitution, and that such language constitutes an encroachment upon the duties and responsibilities of the executive branch in violation of the separation of powers provision of Article III, Section 3 of the California Constitution

Section 28 already contains an adequate mechanism for legislative review of federal funding

Section 32 5—For local assistance, Department of Benefit Payments I reduce the amount from $624,605,700 to $624,152,700 and eliminate approval of certain regulations by the Joint Legislative Budget Committee

I am eliminating $453,000 added by the Legislature to pay for the county share of program costs associated with regulations clarifying procedures for immediate need payments to welfare recipients Legislation which requires these payments was passed in 1971, well before enactment of SB 90 Therefore, the State is not obligated to finance county costs

The last paragraph of Section 32 5 reads as follows

"Notwithstanding the provisions of this section, no changes in welfare rules and regulations may add to program or administrative annual costs, funded from the General Fund, in excess of $500,000, unless such changes are specifically required by court order or change in federal or state statutory law, or specifically included in an appropriation made by this act or approved by the Joint Legislative Budget Committee "

I eliminate the phrase " or approved by the Joint Legislative Budget Committee"

Such language constitutes an encroachment upon the duties and responsibilities of the executive branch in violation of the separation of powers provision of Article III, Section 3 of the California Constitution

With the above deletions and reductions, I hereby approve Assembly Bill No 184
EDMUND G. BROWN JR , Governor

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

SECTION 1. This act shall be known and may be cited as the "Budget Act of 1977."

SEC. 2. The following sums of money, or so much thereof as may be necessary unless otherwise provided herein, are hereby appropriated for the use and support of the State of California for the 1977–78 fiscal year beginning July 1, 1977, and ending June 30, 1978. All such appropriations, unless otherwise herein provided, shall be paid out of the General Fund in the State Treasury.

Whenever by constitutional or statutory provision the revenues or receipts of any institution, department, board, bureau, commission, officer, employee, or other agency, or any moneys in any special fund created by law therefor, are to be used for salaries, support or any proper purpose, expenditures shall be made therefrom for any such purposes, to the extent only of the amount herein appropriated, unless otherwise stated herein, or authorized pursuant to Section 11006 of the Government Code.

Appropriations for purposes not otherwise provided for herein which have been heretofore made by any existing constitutional or statutory provision shall continue to be governed thereby.

LEGISLATIVE/JUDICIAL/EXECUTIVE

Legislative

Item	Amount
1—For salaries of Senators	$965,000
2—For mileage of Lieutenant Governor, Senators and statutory officers of the Senate	1,800
3—For expenses of Members of the Senate	345,800
4—For contingent expenses of the Senate, including personal services for officers, clerks and all other employees, and legislative committees thereof composed in whole or in part of Members of the Senate, to be transferred by the State Controller to the Senate Contingent Fund	13,552,218
4.5—For contingent expenses of the Senate relating to the lease, maintenance, repair, insurance, and other costs of operating automobiles for the use of Members of the Senate, to be transferred by the State Controller to the Senate Contingent Fund	172,123
5—For salaries of Assemblymen	1,977,000
6—For mileage of Assemblymen and statutory officers of the Assembly	4,000
7—For expenses of Members of the Assembly	691,600
8—For contingent expenses of the Assembly including personal services for officers, clerks and	

all other employees, and legislative committees thereof composed in whole or in part of Members of the Assembly, to be transferred by the State Controller to the Assembly Contingent Fund..... 25,226,963

8 5—For contingent expenses of the Assembly relating to the lease, maintenance, repair, insurance, and other costs of operating automobiles for the use of Members of the Assembly, to be transferred by the State Controller to the Assembly Contingent Fund 400,383

9—For expenses of Joint Legislative Committee for the Revision of the Penal Code..... 153,000

10—For legislative printing, binding, mailing and other necessary expenses; and in addition thereto, any amounts received from the sale of legislative publications 3,850,000
notwithstanding any other provision of Section 2 of this act, this appropriation shall be available without regard to fiscal years; provided further, that funds appropriated by this item shall not be expended for the purpose of providing the compilation of any California code or portion thereof in computer usable form, except as expressly authorized in writing by the Joint Rules Committee.

11—For the expenses of joint committees and their members and for any charges, expenses, or claims they may incur, to be tranferred by the State Controller to the Contingent Funds of the Assembly and Senate, available without regard to fiscal years, to be paid on certification of chairmen of the committees to which allocations have been made by statute or concurrent resolution or by resolution of the Joint Rules Committee 6,968,018
Schedule:
(a) Expenses 7,018,018
(b) Amount payable from the Motor Vehicle Account in the State Transportation Fund (Item 165) for expenses of Joint Committee on Tort Reform for study, in cooperation with the Department of Motor Vehicles, of alternatives to the Financial Responsibility Laws —50,000

In enacting this act, the Legislature hereby finds and declares that the Supplemental Report of the Committee of Conference on the Budget Bill, which contains agreed language on statements of intent or requests for studies and which

Item	Amount
was submitted to the Senate and Assembly concurrently with consideration of the Budget Bill for the 1977–78 fiscal year, reflects the intent of the Legislature in enacting the Budget Act of 1977 and should be interpreted as such by the various agencies of state government affected by the statements contained in the report. The Legislative Analyst shall transmit copies of the report to all agencies to which statements of intent and requests for studies are directed in order that each may be fully informed of the intent of the Legislature.	
11.1—To the Joint Rules Committee, for legislative study of prisons, to be performed by contract with an independent entity whose work shall be supervised by an advisory committee, which shall be appointed by the Joint Rules Committee and which shall include at least one member from each house, and to be presented to the Legislature with findings and recommendations by December 1, 1978 ..... provided, that the funds appropriated in this item may not be encumbered until the Joint Rules Committee develops, in cooperation with the Joint Legislative Budget Committee, the scope of such study, including, but not limited to, the future need for additional correctional facilities, the size and location of such facilities, alternatives to such facilities, and the continued need for existing facilities.	250,000
11.5—To the Legislative Analyst to contract for an independent longitudinal evaluation of the Early Childhood Education Program ..... Such evaluation shall concern the 1977–78 school year and shall include, but need not be limited to, information concerning (a) the performance in reading and mathematics and the attitudes toward self and school of fourth and fifth grade students and (b) the results of teacher and administrator questionnaires and on-site observations of classroom and school processes. The evaluation shall also include data from additional schools receiving Miller-Unruh funds. The evaluation report shall be submitted to the Legislature not later than November 30, 1978.	135,000
12—For support of Legislative Counsel Bureau	5,551,080
13—For support of California Law Revision Commission	274,017

Item		Amount
14—For support of California Commission on Uniform State Laws		38,750
15—For state's contribution to the Legislators' Retirement Fund, in accordance with Sections 9358 and 9358.5 of the Government Code		29,145,490
	Judicial	
16—For support of Supreme Court of California, Courts of Appeal, Judicial Council of California and Commission on Judicial Qualifications		18,561,808
provided, that the funds appropriated in this item may be allocated or reallocated between them by order of the Judicial Council subject to being reported to the Director of Finance.		
17—For support of Judicial Council, for implementing uniformity and consistency of procedure in traffic courts, payable from the Motor Vehicle Account, State Transportation Fund		35,839
18—For reimbursement, in accordance with subdivision (a) of Section 2231 of the Revenue and Taxation Code, of the costs, which relate to activities of the Judicial Council, of any new program or increased level of service of an existing program mandated by statute, State Controller		55,000
provided, that allocations to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute that mandates the reimbursement of such costs and of subdivision (d) of Section 2231 of the Revenue and Taxation Code.		
19—For state's share of salaries of judges of superior courts as provided by Section 68206 of the Government Code		22,021,840
provided, that any funds which are unexpended due to vacancies in judgeships may be expended by the Judicial Council for extra compensation, expenses and staff for judges assigned by the Chairman of the Judicial Council.		
20—For payment to counties for the annual cost of superior court judgeships created subsequent to January 1, 1973, for disbursement as a block grant by the State Controller		3,300,000
21—For transfer by the State Controller to the Judges' Retirement Fund for Supreme Court and appellate court judges		472,322

Item		Amount
	provided, that of the amount appropriated by this item, $430,979 shall be available for encumbrance only for the purpose of amortizing the unfunded liability of the Judges' Retirement System.	
22—For transfer by the State Controller to the Judges' Retirement Fund for superior court and municipal court judges		5,872,041
	provided, that the amount appropriated by this item, $5,354,690 shall be available for encumbrance only for the purpose of amortizing the unfunded liability of the Judges' Retirement System.	
23—For state's share of cost for membership in National Center for State Courts, Judicial Council of California		14,000
	Executive	
24—For support of Governor and of Governor's office (exempt from the provisions of Sections 925.6, 12410 and 13320 of the Government Code)		3,036,207
25—For support of Governor's residence (exempt from the provisions of Sections 925.6, 12410 and 13320 of the Government Code)		17,400
26—For special contingent expenses, Governor's office (exempt from the provisions of Sections 925.6, 12410 and 13320 of the Government Code		15,000
27—For support of the Governor's office; for printing of the Governor's Budget, and, in addition thereto, any amounts received from the sale of publications		350,000
28—For support of Secretary of Agriculture and Services		374,506
29—For support of Business and Transportation Agency, payable from the Motor Vehicle Account, State Transportation Fund		401,812
Schedule:		
(a) Support	949,010	
(b) Reimbursements	−327,758	
(c) Federal funds	−200,000	
(d) Amount payable from the General Fund (Item 30)	−19,440	
30—For support of Business and Transportation Agency, to be transferred to Item 29		19,440
31—For support of Secretary of Health and Welfare		724,208
32—For support of Secretary of Resources		867,380
33—For support of Office of Employee Relations in the Governor's office		231,200
34—For support of Office of Planning and Research		1,020,634

Item		Amount
Schedule:		
(a) Personal services	1,836,033	
(b) Operating expenses and equipment	1,022,351	
(c) Reimbursements	−854,750	
(d) Federal funds	−983,000	
and in addition thereto, any amounts received from federal grants or other sources. Provided, that the state clearinghouse shall forward copies of all state agencies' comments on proposed federal regulations to the Chairman of the Joint Legislative Budget Committee or his designee, and the chairman of the committee in each house which considers appropriations.		
35—For support of Office of Emergency Services, California Emergency Council and Advisory Committees		2,369,819
Schedule:		
(a) Personal services	2,101,648	
(b) Operating expenses and equipment	1,254,943	
(c) Reimbursements	−43,399	
(d) Federal funds	−943,373	
and in addition, any amounts received from federal grants or other sources shall be available for expenditure in accordance with the provisions of this item.		
Provided, that funds appropriated by this item may be reduced by the Director of Finance, after notice to the Chairman of the Joint Legislative Budget Committee, by the amount of federal funds made available for the purposes of this item in excess of the $943,373 scheduled above		
36—For support of Lieutenant Governor		664,344
Schedule:		
(a) Personal services	427,307	
(b) Operating expenses and equipment	237,037	
37—For support of Commission of the Californias		77,420
General Administration		
38—For support of Department of Justice		54,864,275
Schedule:		
(a) Personal services	57,046,527	
(b) Operating expenses and equipment	20,998,684	
(c) Reimbursements	−11,429,947	

Item		Amount
	(d) Amount payable from the Political Reform Act of 1974 (Item 333)	−171,587
	(e) Federal funds	−1,918,183
	(f) Amount payable from fingerprint fees in the General Fund (Item 39)	−1,862,487
	(g) Amount payable from the Attorney General's Antitrust Account, General Fund (Item 40)	−1,396,330
	(h) Amount payable from Motor Vehicle Account, State Transportation Fund (Item 41)	−6,402,402
39	—For support of Department of Justice, to be transferred to Item 38, payable from fingerprint fees deposited in the General Fund pursuant to subdivision (e) of Section 11105 of the Penal Code..	1,862,487
40	—For support of Department of Justice, to be transferred to Item 38, payable from the Attorney General's Antitrust Account, General Fund	1,396,330
41	—For support of Department of Justice, to be transferred to Item 38, payable from the Motor Vehicle Account, State Transportation Fund	6,402,402
	Schedule:	
	(a) Data processing 5,215,780	
	(b) Uniform Blood Alcohol Program 1,186,622	
42	—For reimbursement, in accordance with subdivision (a) of Section 2231 of the Revenue and Taxation Code, of the costs, which relate to the activities of the Department of Justice, of any new program or increased level of service of an existing program mandated by statute, State Controller	72,000
	provided, that allocations to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute that mandates such costs and subdivision (d) of Section 2231 of the Revenue and Taxation Code.	
43	—For support of State Controller	22,204,698
	Schedule:	
	(a) Personal services 16,924,684	
	(b) Operating expenses and equipment 6,444,497	
	(c) Consolidated data center..... 3,136,674	
	(d) Reimbursements ..... −2,675,155	
	(e) Amount payable from the Motor Vehicle Fuel Account, Transportation Tax Fund (Item 44)	−1,355,185

Item		Amount
	(f) Amount payable from the State School Building Aid Fund (Item 45)	−185,787
	(g) Amount payable from the Aeronautics Account, State Transportation Fund (Item 46)	−85,030

The appropriation made by this item shall be in lieu of any allocation made pursuant to subdivision (b) of Section 30462 of the Revenue and Taxation Code during the 1977–78 fiscal year and no funds shall be allocated to the State Controller pursuant to Section 30462 during the 1977–78 fiscal year.

Provided, that the funds appropriated in subitem (c) may be allocated by the State Controller to subitems (a) and (b) above and expended therefrom for electronic data processing; provided further, that the Director of Finance may transfer the unencumbered balance of subitem (c) to the Stephen P. Teale Consolidated Data Center, Item 172 of this act; and provided, further, that the $49,353 included in category (c) of this schedule for the purchase of microfilm equipment may not be allocated until the Director of Finance determines whether that equipment can and should be shared with the State Treasurer.

44	—For support of State Controller, to be transferred to Item 43, payable from the Motor Vehicle Fuel Account, Transportation Tax Fund	1,355,185
45	—For support of State Controller, to be transferred to Item 43 the sum of $185,787 is appropriated from the State School Building Aid Fund	(185,787)
46	—For support of State Controller, to be transferred to Item 43, payable from the Aeronautics Account, State Transportation Fund	85,030
47	—For support of State Board of Equalization	46,114,612
	Schedule:	
	(a) Personal services	48,742,004
	(b) Operating expenses and equipment	12,009,784
	(c) Reimbursements	−11,209,514
	(d) Amount payable from the State Energy Resources Conservation and Development Special Account, General Fund (Item 48)	−34,774
	(e) Amount payable from the Motor Vehicle Fuel Account, Transportation Tax Fund (Item 49)	−2,443,941

Item		Amount
(f) Amount payable from the State Emergency Telephone Number Special Account, General Fund (Item 50)	−44,781	
(g) Amount payable from the Timber Tax Fund (Item 51)	−904,166	
48—For support of State Board of Equalization, to be transferred to Item 47, payable from the State Energy Resources Conservation and Development Special Account, General Fund		34,774
49—For support of State Board of Equalization, to be transferred to Item 47, payable from the Motor Vehicle Fuel Account, Transportation Tax Fund		2,443,941
50—For support of State Board of Equalization, to be transferred to Item 47, payable from the State Emergency Telephone Number Special Account, General Fund		44,781
51—For support of State Board of Equalization, to be transferred to Item 47, the sum of $904,166 is appropriated from the Timber Tax Fund		(904,166)
52—For support of Secretary of State		5,472,460
Schedule:		
(a) Personal services	3,325,230	
(b) Operating expenses and equipment	2,222,581	
(c) Consolidated data center	418,219	
(d) Reimbursements	−91,000	
(e) Amount payable from the Political Reform Act of 1974 (Item 333)	−402,570	
provided, that the funds appropriated in subitem (c) may be allocated by the Secretary of State to subitems (a) and (b) above and expended therefrom for electronic data processing; provided further, that the Director of Finance may transfer the unencumbered balance of subitem (c) to the Stephen P. Teale Consolidated Data Center, Item 172 of this act.		
Provided, further, that funds appropriated in this item for reimbursement of expenses for postage incurred by counties in mailing voter registration cards may not be expended for any other purpose.		
53—For printing constitutional amendments and other ballot measures, Secretary of State		1,742,200
54—For expenditure by the office of the Secretary of State for the printing of constitutional amendments and other ballot measures, the sum of $54,552 is appropriated		(54,552)

Item		Amount
	notwithstanding any other provision of this section, the appropriation made by this item is available for the discharge of obligations incurred in the 1975–76 fiscal year.	
55—To the State Controller to provide reimbursement, pursuant to Section 16100.6 of the Government Code, to local governments for the actual increased cost to such local governments caused by the provisions of Section 6555 of the Elections Code		1,450
	provided, that the appropriation made by this item is in augmentation cf, and in addition to, the funds continuously appropriated to the State Controller by Section 16100 of the Government Code.	
55.5—For reimbursement of net costs to local government associated with the implementation of Chapter 704 of the Statutes of 1975, relating to voter registration and voting procedures, in accordance with Section 91 of that chapter, for such costs incurred during the 1976–77 and 1977–78 fiscal years, State Controller		2,359,121
	Schedule:	
	(a) Reimbursement for 1976–77 fiscal year 1,295,168	
	(b) Reimbursement for 1977–78 fiscal year 1,063,953	
	provided, that, commencing in the 1977–78 fiscal year, the Secretary of State shall determine the maximum reimbursement available to each local jurisdiction (and shall so advise the State Controller), as a proration of the total amount appropriated in this item and based upon a consideration of the number of unregistered voters within each jurisdiction, the reasonably estimated costs of programs designed and implemented pursuant to regulations adopted pursuant to Section 304 of the Elections Code, and other reasonably estimated costs and savings related to Chapter 704 of the Statutes of 1975.	
	Provided, further, that prior to the payment of any claim funded by this item, the State Controller shall confer with the Secretary of State to determine whether the cost for which reimbursement is sought is properly reimbursable under Section 91 of Chapter 704 of the Statutes of 1975.	
56—For support of Commission on Voting Machines and Vote Tabulating Devices		43,337
57—For support of State Treasurer		1,916,396

Item		Amount
	Schedule:	
	(a) Personal services 1,602,825	
	(b) Operating expenses and equipment 650,098	
	(c) Consolidated data center..... 153,473	
	(d) Reimbursements ..... −490,000	
	provided, that the funds appropriated in subitem (c) may be allocated by the State Treasurer to subitems (a) and (b) above and expended therefrom for electronic data processing; provided further, that the Director of Finance may transfer the unencumbered balance of subitem (c) to the Stephen P. Teale Consolidated Data Center, Item 172 of this act.	

AGRICULTURE AND SERVICES

58—For support of Department of Food and Agriculture	20,532,701
Schedule:	
(a) Personal services 27,508,984	
(b) Operating expenses and equipment 12,015,630	
(c) Reimbursements ..... −1,893,325	
(d) Federal funds ..... −494,871	
(e) Amount payable from the Department of Agriculture Fund (Item 59) ..... −15,881,948	
(f) Amount payable from the Fair and Exposition Fund (Item 60) ..... −447,789	
(g) Amount payable pursuant to subdivision (1) of Section 224 of the Food and Agricultural Code..... −273,980	
provided, that no indemnity payment for brucellosis-reacting cattle from funds appropriated in this item may exceed $50 per animal.	
59—For support of Department of Food and Agriculture, to be transferred to Item 58, payable from the Department of Agriculture Fund	15,881,948
60—For support of Department of Food and Agriculture, to be transferred to Item 58, payable from the Fair and Exposition Fund	447,789
61—For salaries of county agricultural commissioners or compensation for services performed for county agricultural departments, Department of Food and Agriculture, to be expended in accordance with the provisions of Section 2224 of the Agricultural Code	174,900

Item		Amount
62—The sum of $171,124 of the money appropriated by Section 19630 of the Business and Professions Code, for district agricultural fairs or citrus fairs and expositions, is hereby reappropriated from the Fair and Exposition Fund during the 1977–78 fiscal year for engineering services, Department of Food and Agriculture		171,124
63—For support of Museum of Science and Industry Schedule:		2,516,195
(a) Personal services	1,964,902	
(b) Operating expenses and equipment	551,293	
64—For support of Board of Behavioral Science Examiners of the State of California, payable from the Behavioral Science Examiners Fund		278,614
65—For support of Board of Dental Examiners of California, payable from the State Dentistry Fund		1,155,170
66—For support of State Board of Guide Dogs for the Blind		14,509
67—For support of Board of Medical Quality Assurance of the State of California, payable from the Contingent Fund of the Board of Medical Quality Assurance		5,853,173
68—For support of Board of Medical Quality Assurance of the State of California, payable from the Acupuncturists Fund		72,761
69—For support of Board of Medical Quality Assurance of the State of California, payable from the Hearing Aid Dispensers Fund		113,201
70—For support of Board of Medical Quality Assurance of the State of California, payable from the Physical Therapy Fund		161,624
71—For support of Board of Medical Quality Assurance of the State of California, payable from the Physicians Assistant Fund		58,000
72—For support of Board of Medical Quality Assurance of the State of California, payable from the Speech Pathology and Audiology Examining Committee Fund		134,504
73—For support of State Board of Examiners of Nursing Home Administrators, payable from the Nursing Home Administrator's State License Examining Board Fund		216,633
74—For support of State Board of Optometry, payable from the State Optometry Fund		323,087
75—For support of California State Board of Pharmacy, payable from the Pharmacy Board Contingent Fund		1,034,097

Item	Amount
76—For support of Board of Registered Nursing, payable from the Board of Registered Nursing Fund	1,881,204
77—For support of Board of Examiners in Veterinary Medicine, payable from the Board of Veterinary Examiners' Contingent Fund	255,568
78—For support of Board of Examiners in Veterinary Medicine, payable from the Animal Health Technician Examining Committee Fund	38,888
79—For support of Board of Vocational Nurse and Psychiatric Technician Examiners of the State of California, payable from the Vocational Nurse and Psychiatric Technician Examiners' Fund	1,060,357
80—For support of Board of Vocational Nurse and Psychiatric Technician Examiners of the State of California, payable from the Vocational Nurse and Psychiatric Technician Examiners' Fund from those moneys deposited under the provisions of Section 4547 of the Business and Professions Code	210,313
81—For support of State Board of Accountancy, payable from the Accountancy Fund	1,017,939
82—For support of Cemetery Board, payable from the Cemetery Fund	176,297
83—For support of Bureau of Collection and Investigative Services, Department of Consumer Affairs, payable from the Collection Agency Fund	322,626
84—For support of Bureau of Collection and Investigative Services, Department of Consumer Affairs, payable from the Private Investigator and Adjuster Fund	833,392
85—For support of Tax Preparers Program, Department of Consumer Affairs, payable from the Tax Preparers Fund	251,638
86—For support of California State Board of Architectural Examiners, payable from the California State Board of Architectural Examiners' Fund	388,092
87—For support of Contractors' State License Board, payable from the Contractors' License Fund	6,946,631
Schedule:	
(a) Personal services	4,448,568
(b) Operating expenses and equipment	2,498,063
88—For support of State Board of Registration for Geologists and Geophysicists, payable from the Geology and Geophysics Fund	116,525
89—For support of California State Board of Landscape Architects, payable from the State Board of Landscape Architects Fund	71,119

Item		Amount
90—For support of State Board of Registration for Professional Engineers, payable from the Professional Engineers' Fund		1,337,587
Schedule:		
(a) Personal services	786,660	
(b) Operating expenses and equipment	550,927	
91—For support of Structural Pest Control Board, payable from the Structural Pest Control Fund		1,304,093
Schedule:		
(a) Personal services	333,820	
(b) Operating expenses and equipment	970,273	
92—For support of State Athletic Commission		432,677
93—For support of the Bureau of Automotive Repair, Department of Consumer Affairs, payable from the Automotive Repair Fund		2,875,850
Schedule:		
(a) Personal services	3,622,295	
(b) Operating expenses and equipment	2,598,609	
(c) Reimbursements	−3,345,054	
94—For support of State Board of Barber Examiners, payable from the State Board of Barber Examiners' Fund		625,395
95—For support of State Board of Cosmetology, payable from the Board of Cosmetology's Contingent Fund		1,672,745
Schedule:		
(a) Personal services	462,332	
(b) Operating expenses and equipment	1,210,413	
96—For support of Bureau of Employment Agencies, Department of Consumer Affairs, payable from the Bureau of Employment Agencies Fund		584,020
97—For support of State Board of Fabric Care, payable from the Fabric Care Fund		585,037
98—For support of State Board of Funeral Directors and Embalmers, payable from the State Funeral Directors and Embalmers Fund		308,531
99—For support of Bureau of Home Furnishings, Department of Consumer Affairs, payable from the Bureau of Home Furnishings Fund		869,055
100—For support of Nurses' Registry, payable from the Nurses' Registry Fund		24,808
101—For support of Bureau of Repair Services, Department of Consumer Affairs, payable from the Repair Services Fund		709,443

Item			Amount
102—For support of Certified Shorthand Reporters Board, payable from the Shorthand Reporters' Fund			85,889
103—For support of Division of Consumer Services, Department of Consumer Affairs, to be transferred to Item 104			990,515
104—For support of the Department of Consumer Affairs, payable from the Consumer Affairs Fund ..			(6,324,414)
Schedule:			
(a) Division of Administration	2,224,499		
(b) Division of Investigation	2,759,214		
(c) Division of Consumer Services	1,283,826		
(d) Building maintenance and operation	1,047,390		
(e) Amount payable from the General Fund (Item 103)	(−990,515)		
105—For support of State Fire Marshal			2,563,126
Schedule:			
(a) Personal services	2,643,675		
(b) Operating expenses and equipment	743,895		
(c) Reimbursements	−824,444		
106—For support of Franchise Tax Board			57,274,812
Schedule:			
(a) Personal services	39,362,098		
(b) Operating expenses and equipment	20,996,728		
(c) Reimbursements	−924,167		
(d) Amount payable from the Political Reform Act of 1974 (Item 333)	−2,159,847		

provided, that not more than $2,159,847 shown in categories (a) and (b) of this schedule and any other amounts appropriated for salary and benefit increases may be expended for purposes of the Political Reform Act of 1974 (Title 9 (commencing with Section 81000) of the Government Code); provided, further, that except as otherwise provided in this item, no funds appropriated by this act may be expended for any campaign audits unless such audits are conducted according to audit standards promulgated by the American Institute of Certified Public Accountants, and no funds appropriated by this act may be used for audit inquiries of more than 10 percent of the campaign transactions subject to the audit, which 10 percent sample shall be by letter that only requires the contributor to verify the amount reported and requires a response only in the case where the con-

Item		Amount
	tributor's records differ from the reported amount; provided, further, that no funds appropriated by this act may be expended for an audit of more than 25 percent of the campaign expenditures, determined on the basis of the total number of such transactions, irrespective of the dollar amounts involved in such transactions, of any candidate subject to Section 90001 of the Government Code and provided, further, however, that if the Franchise Tax Board finds, after making an initial audit, an indication of fraud, further investigation of such fraud may be conducted to establish whether material facts have been deliberately concealed, irrespective of the limitations on audits set forth in this item.	
107	—For reimbursement, in accordance with subdivision (a) of Section 2231 of the Revenue and Taxation Code, of the costs, which relate to activities of the Franchise Tax Board, of any new program or increased level of service of an existing program mandated by statute, State Controller..... provided, that allocations to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute that mandates the reimbursement of such costs and of subdivision (d) of Section 2231 of the Revenue and Taxation Code.	48,000
108	—For support of Department of General Services for transfer to the Service Revolving Fund, to be transferred by the State Controller in such amounts as the Department of Finance may authorize; provided, that the money so transferred shall not be available for expenditure after June 30, 1978, and any unencumbered balances as of June 30, 1978, shall be returned to the General Fund	5,042,331
108.1	—For transfer to the Service Revolving Fund as a loan, to be transferred by the State Controller in such amounts and upon such terms and conditions as may be prescribed by the Department of Finance, to be used for the purchase or lease-purchase of copier machines by the Department of General Services	2,000,000
108.2	—For support of Board of Administration of the Public Employees' Retirement System, the sum of $31,894 is appropriated from the Public Employees' Retirement Fund pursuant to Section 20202.5 of the Government Code	(31,894)

Item Amount

provided, that the funds appropriated by this item shall be allocated by the Director of Finance to Item 129 after the provisions of Sections 6.1 and 28.2 have been met where appropriate.

108.3—For support of Board of Administration of the Public Employees' Retirement System, the sum of $12,033 is appropriated from the State Employees' Contingency Reserve Fund pursuant to Section 22840 of the Government Code ..... (12,033)
provided, that the funds appropriated by this item shall be allocated by the Director of Finance to Item 129 after the provisions of Sections 6.1 and 28.2 have been met where appropriate.

108.4—For support of State Teachers' Retirement System 77,000
provided, that the funds appropriated by this item shall be allocated by the Director of Finance to Item 133 after the provisions of Sections 6.1 and 28.2 have been met where appropriate.

Provided, further, that prior to the encumbrance of any of the funds appropriated in this item, the Department of General Services, with the cooperation of the Public Employees' Retirement System and the Resources Agency, shall evaluate several alternatives for providing space for the Public Employees' Retirement System in the Resources Building (including moving either the State Water Resources Control Board or State Teachers' Retirement System out of the Resources Building) and shall notify the chairman of each fiscal committee and the Chairman of the Joint Legislative Budget Committee of the alternatives evaluated not sooner than 30 days prior to any encumbrance of such funds or not sooner than such shorter time as the Chairman of the Joint Legislative Budget Committee, or his designee, may in each instance determine.

108.5—For support of State Teachers' Retirement System, the sum of $162,600 is appropriated from the State Teachers' Retirement Fund ..... (162,600)
provided, that the funds appropriated by this item shall be allocated by the Director of Finance to Item 133 after the provisions of Sections 6.1 and 28.2 have been met where appropriate.

Provided, further, that prior to the encumbrance of any of the funds appropriated in this item, the Department of General Services, with the cooperation of the Public Employees' Retire-

Item		Amount
	ment System and the Resources Agency, shall evaluate several alternatives for providing space for the Public Employees' Retirement System in the Resources Building (including moving either the State Water Resources Control Board or State Teachers' Retirement System out of the Resources Building) and shall notify the chairman of each fiscal committee and the Chairman of the Joint Legislative Budget Committee of the alternatives evaluated not sooner than 30 days prior to any encumbrance of such funds or not sooner than such shorter time as the Chairman of the Joint Legislative Budget Committee, or his designee, may in each instance determine.	
109	—For allocation by the Department of Finance to the Office of the State Architect for the purposes of Chapter 513, Statutes of 1976	700,000
110	—For support of Department of General Services, to be transferred to Item 114, payable from the State Emergency Telephone Number Account, General Fund	87,857
111	—For support of Office of State Architect, Department of General Services, to be transferred to Item 114 payable from the Architecture Public Building Fund	2,297,410
112	—For expenditure by Office of State Architect, Department of General Services, for the purposes specified in Section 14957 of the Government Code, the sum of $9,180,980 is appropriated from the Architecture Revolving Fund for transfer to Item 114	(9,180,980)
	provided, that any balances in the Architecture Revolving Fund continue to be appropriated by and subject to Section 14957 of the Government Code, and are available for construction and for augmentation of this appropriation; and provided further, that during the 1977–78 fiscal year the Office of State Architect, Department of General Services, shall maintain expenditures for staff to a level commensurate with the funds necessary to maintain a staff sufficient to perform a basic architectural and engineering services workload volume of $36,200,000, as projected to June 30, 1978.	
113	—For augmentation of the Service Revolving Fund, to be transferred by the State Controller in such amounts and at such times as funds are made available. Upon approval of the State Board of Control, the State Controller shall transfer to this	

Item		Amount
	item from any appropriation made from the General Fund, or any special fund, by the provisions of this act that part of such appropriation which is intended to be used and is available, for the purchase or replacement of automobiles and reproduction equipment; and provided, any funds in the Service Revolving Fund may be used to purchase equipment from the General Fund or special funds of the state at the depreciated value at the time of purchase, payable at the option of the Service Revolving Fund over the remaining depreciation period.	
114	For support of Department of General Services for activities financed from the Service Revolving Fund, other than the Office of State Printing, the sum of $131,824,932 is appropriated from the Service Revolving Fund	(131,824,932)
	Schedule:	
	(a) Personal services	61,583,311
	(b) Operating expenses and equipment	90,579,411
	(c) Federal funds	−100,000
	(d) Amount payable from the General Fund (Item 108)	−5,042,331
	(e) Amount payable from the General Fund (Item 109)	−700,000
	(f) Amount payable from the Emergency Telephone Number Account, General Fund (Item 110)	−87,857
	(g) Amount payable from the Architecture Public Building Fund (Item 111)	−2,297,410
	(h) Amount payable from the Architecture Revolving Fund (Item 112)	−9,180,980
	(i) Amount payable from the State School Building Aid Fund (Item 116)	−811,769
	(j) Amount payable from the Deferred Compensation Plan Fund (Item 117)	−117,443
	(k) Amount payable from the General Fund (Item 108.1)	−2,000,000
115	For expenditure by Office of State Printing, Department of General Services, the sum of $31,165,929 is appropriated from the Service Revolving Fund	(31,165,929)

Item		Amount
	Schedule:	
	(a) Personal services 13,840,953	
	(b) Operating expenses and equipment 17,324,976	
	provided, that if a proposed minicomputer, intended to improve the capability of the Office of State Printing for processing the workload associated with the printing of bills and most other legislative and agency printing workload, becomes operational on or before January 1, 1978, not more than $410,500 of the amount appropriated for operating expenses and equipment, as specified in category (b) of this item, shall be available for data-processing services from the Stephen P. Teale Consolidated Data Center; and provided, further, that if such minicomputer has not become operational by January 2, 1978, the $410,500 available for such data-processing services shall be increased, by not more than $200,000, to obtain such services which are necessary because the minicomputer has not become operational.	
116	—For support of Department of General Services, the sum of $811,769 is appropriated from the State School Building Aid Fund for transfer to Item 114	(811,769)
117	—For support of Department of General Services the sum of $117,443 is appropriated from the Deferred Compensation Plan Fund portfolio earnings or account for administrative service fees, for transfer to Item 114	(117,443)
118	—For reimbursement of local agencies and service suppliers or communications equipment companies for costs incurred pursuant to Sections 41137, 41137.1 and 41138 of the Revenue and Taxation Code, as added by Chapter 443 of the Statutes of 1976, Department of General Services, payable from the State Emergency Telephone Number Account, General Fund	606,818
119	—For repayment of loan to Department of General Services from the Service Revolving Fund, the sum of $7,723 is appropriated from the Deferred Compensation Plan Fund, portfolio earnings or account, for administrative service fees ..... notwithstanding any other provision of this section, the appropriation made by this item is available to the department for the discharge of obligations incurred, or reimbursement for expenditures made, in the 1975–76 fiscal year.	(7,723)
120	—For support of State Board of Control	334,784

Item		Amount
122—For support of Department of Industrial Relations Schedule:		47,302,958
(a) Personal services	42,755,685	
(b) Operating expenses and equipment	14,572,475	
(c) Reimbursements	−568,267	
(d) Federal funds	−9,456,935	
122.1—For transfer by the State Controller to the Uninsured Employer's Fund		4,118,640
123—For reimbursement, in accordance with subdivision (a) of Section 2231 of the Revenue and Taxation Code, of the costs, which relate to activities of the Department of Industrial Relations, of any new program or increased level of service of an existing program mandated by statute, State Controller		22,141,937
provided, that allocations to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute that mandates the reimbursement of such costs and of subdivision (d) of Section 2231 of the Revenue and Taxation Code.		
124—For payment of the additional compensation for subsequent injury provided for by Sections 4750 through 4755 of the Labor Code, Department of Industrial Relations		1,500,000
provided, that this item shall not be construed as a limitation on expenditures provided by Section 4706.5 of the Labor Code. Provided further that the amount available from this item shall not be available for expenditure at any time that funds appropriated by Section 4706.5 of the Labor Code are available for expenditure. Provided further, that at the end of fiscal year 1977–78, any expenditures made from the General Fund against this appropriation item shall be reduced by any amounts remaining available from the funds appropriated by Section 4706.5 of the Labor Code.		
Provided further that notwithstanding any other provisions of law the funds made available by Section 4706.5 of the Labor Code will be available without regard to fiscal year.		
125—For furnishing of workers' compensation to disaster service workers and their dependents, in accordance with the provisions of Sections 3201 through 6002 of the Labor Code, including the reimbursing of the State Compensation Insurance Fund for the cost of services as adjusting agent,		

Item		Amount
	Governor's office, Office of Emergency Services. The State Compensation Insurance Fund may draw from the State Treasury out of the appropriation made by this item, without at the time presenting vouchers and itemized statements, any portion of the appropriation contained in this item, to be used as a cash revolving fund. Expenditures made from the revolving fund in payment of claims for workers' compensation and adjusting services are excepted from the operation of Section 925.6 of the Government Code Reimbursement of the revolving fund for such expenditures shall be made upon presentation to the State Controller of an abstract or statement of such expenditures. Such abstract or statement shall be in such form as the State Controller requires	193,000
126—For support of State Personnel Board		17,431,848
	Schedule:	
	(a) Personal services	10,510,835
	(b) Operating expenses and equipment	10,790,446
	(c) Consolidated data center	154,728
	(d) Reimbursements	−2,592,684
	(e) Amount payable from the Cooperative Personnel Services Revolving Fund (Item 127)	−1,431,477
	provided, that the funds appropriated in subitem (c) may be allocated by the State Personnel Board to subitems (a) and (b) above and expended therefrom for electronic data processing; provided further, that the Director of Finance may transfer the unencumbered balance of subitem (c) to the Stephen P. Teale Consolidated Data Center, Item 172 of this act; and provided, further, that $135,802 of the funds appropriated in category (a) is authorized for six personnel analyst positions but may be expended only if the State Personnel Board rescinds its action of September 29, 1976, whereby it delegated classification review responsibilities to the separate line agencies.	
127—For support of State Personnel Board, to be transferred to Item 126, the sum of $1,431,477 is appropriated from the State Personnel Board Cooperative Personnel Services Revolving Fund		(1,431,477)
128—For support of Board of Administration of the Public Employees' Retirement System, to be transferred to Item 129		201,498
129—For support of Board of Administration of the		

Item		Amount
Public Employees' Retirement System, the sum of $11,537,115 is appropriated from the Public Employees' Retirement Fund, pursuant to Section 20202.5 of the Government Code		(11,537,115)
Schedule:		
(a) Personal services	8,927,320	
(b) Operating expenses and equipment	3,832,141	
(c) Consolidated data center.	1,085,794	
(d) Reimbursements	−721,218	
(e) Amount payable from the General Fund (Item 128)	−201,498	
(f) Amount payable from the State Employees' Contingency Reserve Fund (Item 130)	−1,341,981	
(g) Amount payable from the Legislators' Retirement Fund (Item 131)	−43,443	
provided, that the funds appropriated in subitem (c) may be allocated by the board to subitems (a) and (b) above and expended therefrom for electronic data processing; provided further, that the Director of Finance may transfer the unencumbered balance of subitem (c) to the Stephen P. Teale Consolidated Data Center, Item 172 of this act.		
130—For support of Board of Administration of the Public Employees' Retirement System, for transfer to Item 129, the sum of $1,341,981 is appropriated from the State Employees' Contingency Reserve Fund, in accordance with the provisions of Section 22840 of the Government Code		(1,341,981)
131—For support of the Board of Administration of the Public Employees' Retirement System, for transfer to Item 129, the sum of $43,443 is appropriated from the Legislators' Retirement Fund in accordance with Section 9354 of the Government Code		(43,443)
132—For reimbursement, in accordance with subdivision (a) of Section 2231 of the Revenue and Taxation Code, of the costs, which relate to activities of the Public Employees' Retirement System, of any new program or increased level of service of an existing program mandated by statute, State Controller		14,000

Item			Amount
	provided, that allocations to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute that mandates the reimbursement of such costs and of subdivision (d) of Section 2231 of the Revenue and Taxation Code.		
133—For support of State Teachers' Retirement System, the sum of $7,067,326 is appropriated from the State Teachers' Retirement Fund			(7,067,326)
	Schedule:		
	(a) Personal services	4,739,225	
	(b) Operating expenses and equipment	2,240,196	
	(c) Consolidated data center	277,905	
	(d) Reimbursements	−190,000	
	provided, that the funds appropriated in subitem (c) may be allocated by the system to subitems (a) and (b) above and expended therefrom for electronic data processing; provided further, that the Director of Finance may transfer the unencumbered balance of subitem (c) to the Stephen P. Teale Consolidated Data Center, Item 172 of this act.		
134—For support of Department of Veterans Affairs			1,433,295
	Schedule:		
	(a) Personal services	1,521,765	
	(b) Operating expenses and equipment	294,764	
	(c) Reimbursements	−200	
	(d) Amount payable from the Veterans' Farm and Home Building Fund of 1943 (Item 136)	−383,034	
	provided, that the $125,000 appropriated in this item to carry out the program to upgrade less-than-honorable discharges may not be expended to assist any veteran whose discharge resulted from a court-martial.		
135—For educational assistance to veterans' dependents, Department of Veterans Affairs, to be expended under the provisions of Sections 890 through 899 of the Military and Veterans Code			1,875,000
136—For support of Department of Veterans Affairs, to be transferred to Item 134, the sum of $383,034 is appropriated from the Veterans' Farm and Home Building Fund of 1943			(383,034)
137—For support of Veterans' Home of California			8,088,628
	Schedule:		
	(a) Personal services	11,810,709	

Item		Amount
(b) Operating expenses and equipment	3,250,708	
(c) Reimbursements	−2,225,840	
(d) Federal funds	−4,746,949	
provided, that the Veterans' Home of California shall collect from home members, after due consideration of income and family status, fees and charges for domiciliary, nursing home, and hospital care.		
138—For contribution to counties toward the compensation and expenses of county service officers, Department of Veterans Affairs, to be expended in accordance with Section 972 of the Military and Veterans Code		1,000,000

BUSINESS AND TRANSPORTATION

Business

139—For support of Department of Alcoholic Beverage Control		10,562,967
Schedule:		
(a) Personal services	8,925,875	
(b) Operating expenses and equipment	1,801,674	
(c) Reimbursements	−164,582	
provided, that of the amount appropriated by this item, the Department of Alcoholic Beverage Control may not make expenditures therefrom in an amount in excess of the revenues generated from license fees and miscellaneous charges of the department during the 1977–78 fiscal year unless AB 754 of the 1977–78 Regular Session of the Legislature, or any other bill that would authorize a fee increase in at least the amount proposed by AB 754, as introduced, is chaptered before January 1, 1978, in which case the department may expend the full amount appropriated by this item.		
140—For support of Alcoholic Beverage Control Appeals Board		201,582
Schedule:		
(a) Personal services	168,183	
(b) Operating expenses and equipment	33,399	
141—For support of State Banking Department, payable from the State Banking Fund		4,092,187
Schedule:		
(a) Personal services	3,371,688	

Item		Amount
	(b) Operating expenses and equipment	840,797
	(c) Reimbursements	−120,298
	provided, that the department shall submit to the fiscal committees, the Department of Finance, and the Joint Legislative Budget Committee by June 30, 1977, an outline of proposed regulations as the condition for receiving first quarter funding for the 1977–78 fiscal year. The regulations shall be completed in quarter segments and transmitted to the above entities by the end of each quarter, with final completion by June 30, 1978.	
142	—For support, California Job Creation Program Board, including transfer to the State Job Development Loan Guarantee Fund, in accordance with Section 14023 of the Corporations Code	2,500,000
	provided, that loan guarantee reserves established by the California Job Creation Program Board for each participating regional corporation shall not exceed 50 percent of the total dollar amount guaranteed by the State of California for loans made through each regional corporation, except in cases involving the use of second round financing; provided, further, that the California Job Creation Program Board shall not guarantee any loan, except loans related to the establishment of revolving lines of credit, in excess of 95 percent of the face value of the loan or the remaining unpaid balance thereof; provided, further, that the California Job Creation Program Board shall develop a specific plan for a declining guarantee level for such loans, utilizing as its primary factors the age and quality of repayment of such loans; and provided, further, that loans related to the establishment of revolving lines of credit shall not exceed approximately 15 percent of the total loan guarantee funds.	
143	—For support of Department of Corporations	6,138,536
	Schedule	
	(a) Personal services	7,746,632
	(b) Operating expenses and equipment	2,055,559
	(c) Consolidated data center	15,000
	(d) Reimbursements	−3,678,655
	provided, that the funds appropriated in subitem (c) may be allocated by the Department of Corporations to subitems (a) and (b) above and expended therefrom for electronic data processing;	

Item		Amount
	provided further, that the Director of Finance may transfer the unencumbered balance of subitem (c) to the Stephen P. Teale Consolidated Data Center, Item 172, Budget Act of 1977.	
	Provided further, that, notwithstanding the provisions of Chapter 941, Statutes of 1975, any reimbursements collected pursuant to that act shall be credited to this item.	
144	—For reimbursement, in accordance with subdivision (a) of Section 2231 of the Revenue and Taxation Code, of the costs, which relate to activities of the Department of Corporations, of any new program or increased level of service of an existing program mandated by statute, State Controller..	3,450
	provided, that allocations to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute that mandates the reimbursement of such costs and of subdivision (d) of Section 2231 of the Revenue and Taxation Code.	
145	—For support of Department of Housing and Community Development....	4,197,102
	Schedule:	
	(a) Personal services 5,082,550	
	(b) Operating expenses and equipment 1,532,691	
	(c) Consolidated data center..... 8,400	
	(d) Reimbursements ..... −259,000	
	(e) Amount payable from the Mobilehome Revolving Fund ..... −1,564,100	
	(f) Amount payable from Housing Redevelopment Loan Fund..... −30,996	
	(g) Federal funds ..... −572,443	
	provided, that the funds appropriated in subitem (c) may be allocated by the Department of Housing and Community Development to subitems (a) and (b) above and expended therefrom for electronic data processing; provided further, that the Director of Finance may transfer the unencumbered balance of subitem (c) to the Stephen P. Teale Consolidated Data Center, Item 172, Budget Act of 1977.	
146	—For local assistance, Department of Housing and Community Development	875,000
	Schedule:	
	(a) State matching funds for federal economic development loans and grant funds 625,000	

Item		Amount
(b) Low income home management training program	250,000	
provided, that none of the funds appropriated for the low income home management program may be allocated unless and until the Director of Finance determines that no federal funds are available to the department for funding this program.		
147—For support of Department of Insurance		6,929,787
Schedule:		
(a) Personal services	7,391,264	
(b) Operating expenses and equipment	2,417,252	
(c) Reimbursements	−2,878,729	
148—To pay the state's share of the cost of providing riot and civil disorders insurance pursuant to Division 4 (commencing with Section 13000) of the Insurance Code		200,000
provided, that any refunds of past years' premium payments received during the 1977–78 fiscal year shall be credited to this item and deposited in the General Fund.		
149—For support of Department of Real Estate, payable from the Real Estate Fund		8,441,163
Schedule:		
(a) Personal services	5,716,623	
(b) Operating expenses and equipment	2,109,119	
(c) Consolidated data center	82,421	
(d) Education and research	512,000	
(e) Recovery act	216,000	
(f) Reimbursements	−195,000	
provided, that the funds appropriated in subitem (c) may be allocated by the Department of Real Estate to subitems (a) and (b) above and expended therefrom for electronic data processing; provided further, that the Director of Finance may transfer the unencumbered balance of subitem (c) to the Stephen P. Teale Consolidated Data Center, Item 172 of this act.		
150—For support of Department of Savings and Loan, payable from the Savings and Loan Inspection Fund		5,542,942
Schedule:		
(a) Personal services	4,167,444	
(b) Operating expenses and equipment	1,378,498	
(c) Consolidated data center	22,000	
(d) Reimbursements	−25,000	

Item		Amount
provided, that the funds appropriated in subitem (c) may be allocated by the Department of Savings and Loan to subitems (a) and (b) above and expended therefrom for electronic data processing; provided further, that the Director of Finance may transfer the unencumbered balance of subitem (c) to the Stephen P. Teale Consolidated Data Center, Item 172 of this act		
Transportation		
151—For support of State Transportation Board and State Transportation Board office, payable from the Transportation Planning and Research Account, State Transportation Fund		317,761
Schedule:		
(a) Personal services	183,562	
(b) Operating expenses and equipment	134,199	
152—For support of Department of Transportation, to be transferred to Item 155, payable from the Aeronautics Account, State Transportation Fund		869,793
Schedule:		
(a) Aeronautics Program	743,720	
(b) General Support Program	126,073	
153—For transfer by the State Controller from the Aeronautics Account, State Transportation Fund, to the Transportation Planning and Research Account, State Transportation Fund, for appropriation as specified in this act for expenditures by the Department of Transportation for transportation planning and research as authorized by Section 21682.5 of the Public Utilities Code		(30,000)
154—For support of Department of Transportation, to be transferred to Item 155, payable from the Transportation Planning and Research Account, State Transportation Fund		7,163,686
Schedule:		
(a) Transportation planning and research	5,757,000	
(b) Mass transportation	1,860,200	
(c) General support	595,337	
(d) Reimbursements (transportation planning)	−268,151	
(e) Reimbursements (mass transportation)	−780,700	
and in addition, any amounts received from federal grants or local reimbursements shall be avail-		

Item		Amount
	able for expenditure in accordance with the provisions of this item subject to the provisions of Section 28 of this act.	
155—For support of Department of Transportation, payable from the State Highway Account, State Transportation Fund		-0-
Schedule:		
(a) Transportation planning	12,632,000	
(b) Aeronautics	1,241,600	
(c) Mass transportation	2,293,200	
(d) Highway transportation	118,300,000	
(e) General support	721,410	
(f) Reimbursements	-1,048,851	
(g) Amount payable from the Transportation Planning and Research Account, State Transportation Fund (Item 154, $7,163,686; Item 157, $2,893,000)	-10,056,686	
(h) Amount payable from the Aeronautics Account, State Transportation Fund (Item 152, $869,793; Item 159, $497,880)	-1,367,673	
(i) Amount payable from federal funds deposited in the State Highway Account, State Transportation Fund (Item 160, $105,400,000; Item 392, $12,800,000)	-118,200,000	
(j) Amount payable from federal funds deposited in the Transportation Planning and Research Account, State Transportation Fund (Item 158, $4,415,000)	-4,415,000	
(k) Amount payable from California Environmental Protection Program Fund (Item 391)	-100,000	
155.1—For support, Department of Transportation, payable from the State Highway Account, State Transportation Fund		5,000,000
Schedule:		
(a) Direct charge support units	80,000,000	
(b) Charges budgeted in Items 155, 156.1, and 160.1	-75,000,000	

Item		Amount
156—For transfer by the State Controller from the State Highway Account, State Transportation Fund, to the Transportation Planning and Research Account, State Transportation Fund, for appropriation as specified in this act for expenditures by the Department of Transportation for transportation planning and research as authorized by Section 194 of the Streets and Highway Code		(11,215,000)
Schedule:		
(a) State funds	5,300,000	
(b) Federal funds	5,915,000	
156.1—For General Support Program, Department of Transportation, payable from the State Highway Account, State Transportation Fund		19,485,000
(a) General support	19,585,000	
(b) Reimbursements	−90,000	
(c) Federal funds	−10,000	
157—For local assistance, Department of Transportation, to be transferred to Item 155, payable from the Transportation Planning and Research Account, State Transportation Fund		2,893,000
Schedule:		
(a) Transportation planning and research	2,460,000	
(b) Mass transportation	433,000	
and in addition, any amounts received from federal grants or local reimbursements shall be available for expenditure in accordance with the provisions of this item subject to the provisions of Section 28 of this act.		
158—For local assistance, Department of Transportation, payable from federal funds deposited in the Transportation Planning and Research Account, State Transportation Fund, to be transferred to Item 155 for transportation planning and research purposes specified in the provisions of Chapter 5.5 (commencing with Section 2230) of Division 3 of the Streets and Highways Code		(4,415,000)
and in addition, any amounts received from federal grants or local reimbursements shall be available for expenditure in accordance with the provisions of this item subject to the provisions of Section 28 of this act.		
159—For local assistance, Department of Transportation, to be transferred to Item 155, payable from the Aeronautics Account, State Transportation Fund		497,880
160—For local assistance, Department of Transporta-		

Item		Amount
	tion, payable from federal funds deposited in the State Highway Account in the State Transportation Fund, to be transferred to Item 155 for the purposes specified in the provisions of Chapter 6.5 (commencing with Section 2330) and Chapter 7 (commencing with Section 2350) of Division 3 of the Streets and Highways Code	(105,400,000)
	Schedule:	
	Highway Safety Improvements:	
	(a) Local roads and highways 7,400,000	
	(b) Grade crossing protection works 8,000,000	
	Federal Urban System:	
	(c) Local roads and highways 90,000,000	
	provided, that the funds appropriated in this schedule may be transferred upon order of the Department of Finance to Item 392 of this act, for capital outlay, Department of Transportation	
160.1	—To the Department of Transportation for allocation by the California Highway Commission for the Highway Transportation Program, payable from the State Highway Account, State Transportation Fund	519,311,000
	Schedule:	
	(a) Maintenance and rehabilitation improvements 291,644,000	
	(b) System operations and operating improvements 197,645,000	
	(c) Local assistance 160,282,000	
	(d) Program development 12,887,000	
	(e) New facilities 389,338,000	
	(f) Administration 43,916,000	
	(g) Advance acquisition payback 4,672,000	
	(h) Work for others 26,000,000	
	(i) Reimbursements ..... —26,000,000	
	(j) Federal funds ..... —430,233,000	
	(k) Amount payable from federal funds deposited in the State Highway Account, State Transportation Fund, for purposes specified in the provisions of Chapter 6.5 (commencing with Section 2330) and Chapter 7 (commencing with Section 2350) of Division 3 of the Streets and Highways Code (Items 160 and 392) ..... —118,200,000	
	(*l*) Federal acquisition reimbursement ..... —1,000,000	

Item		Amount
(m) Right-of-way rental and excess lands income	—31,640,000	

provided, that this appropriation shall not be limited by the provisions of Sections 186 and 188.3 of the Streets and Highways Code; provided, further, that the provisions of Section 143.1 of the Streets and Highways Code shall apply to the commencement of award of contracts; and provided, further, that any federal reimbursements shall be from any federal funds deposited in the State Highway Account, State Transportation Fund.

160.2—For local assistance, Department of Transportation, for allocation by the California Highway Commission, for the Mass Transportation Program, payable from the State Highway Account, State Transportation Fund, in accordance with the provisions of Sections 199 and 199.1 of the Streets and Highways Code		4,772,000
Schedule:		
(a) For allocation to the San Diego Metropolitan Transit Development Board for guideway purposes	4,735,000	
(b) For local assistance, Mass Transportation Program	37,000	
160.3—For local assistance, Department of Transportation, for allocation by the California Highway Commission, for transit guideway purposes, payable from the State Highway Account, State Transportation Fund		9,239,000
161—For support of Department of the California Highway Patrol, payable from the Motor Vehicle Account, State Transportation Fund		208,679,164
Schedule:		
(a) Personal services	167,122,943	
(b) Operating expenses and equipment	44,719,808	
(c) Consolidated data center	505,000	
(d) Reimbursements	—2,284,473	
(e) Federal funds	—14,000	
(f) Amount payable from Abandoned Vehicle Trust Fund	—1,370,114	

provided, that the funds appropriated in subitem (c) may be allocated by the Department of the California Highway Patrol to subitems (a) and (b) above and expended therefrom for electronic data processing; provided further, that the Direc-

Item		Amount
	tor of Finance may transfer the unencumbered balance of subitem (c) to the Stephen P. Teale Consolidated Data Center, Item 172 of this act Provided, further, that separate reserves shall be established for the funds in category (b) of this schedule in the amount of $27,518 for increases in future leasing costs and in the amount of $1,054,-945 for increases in vehicle liability insurance costs; and provided, further, that if actual or negotiated costs are lower than the amounts held in these reserves, any unexpended reserve balances may not be expended for any other purpose and shall revert to the Motor Vehicle Account in the State Transportation Fund.	
162—For payments of deficiencies in appropriations for the Department of the California Highway Patrol which may be authorized by the Director of Finance, with the consent of the Governor, pursuant to Section 11006 of the Government Code, the sum of $1,000,000, or so much thereof as may be necessary, is appropriated from the Motor Vehicle Account, State Transportation Fund		(1,000,000)
163—To the Department of the California Highway Patrol, for advance authority for the department to incur automotive equipment purchase obligations in an amount not to exceed $2,500,000 during the 1977–78 fiscal year, for delivery beginning in the 1978–79 fiscal year, the sum of $2,500,000 is hereby appropriated from the Motor Vehicle Account, State Transportation Fund		(2,500,000)
164—For support of Department of Motor Vehicles.... to be transferred to the Motor Vehicle Account, State Transportation Fund, Item 165 of this act for anatomical donor designation program, petit jury panel selection, and the department's occupational licensing and regulation program.		4,383,167
165—For support of Department of Motor Vehicles, payable from the Motor Vehicle Account, State Transportation Fund		111,241,149
Schedule:		
(a) Personal services	107,156,077	
(b) Operating expenses and equipment	36,607,927	
(c) Reimbursements	−7,808,460	
(d) Federal funds	−169,200	
(e) Amount payable from General Fund (Item 164)	−4,383,167	
(f) Amount payable from the Motor		

Item		Amount
	Vehicle License Fee Account, Transportation Tax Fund (Item 167)	−17,779,312
	(g) Amount payable from the California Environmental Protection Program Fund (Item 168)	−1,233,259
	(h) Amount payable from the State Bicycle License and Registration Fund (Item 169)	−34,365
	(i) Amount payable from the Harbors and Watercraft Revolving Fund (Item 170)	−1,115,092

provided, that none of the funds in category (b) of this schedule may be encumbered by any new or renegotiated lease of any facility unless, not less than 30 days prior to signing such a lease, the department notifies, in writing, the chairman of the committee of each house that considers appropriations and the Chairman of the Joint Legislative Budget Committee or his designee of the department's intention to enter into the lease, or not sooner than such shorter time as the chairman of the committee, or his designee, may in each instance determine.

Provided, further, that of the amount appropriated in this item, $50,000 shall be transferred to Item 11 for a study, to be made by the Joint Committee on Tort Reform in cooperation with the department, of alternatives to the financial responsibility laws.

166	For payment of deficiencies in appropriations for the Department of Motor Vehicles which may be authorized by the Director of Finance, with the consent of the Governor, pursuant to Section 11006 of the Government Code, the sum of $500,000, or so much thereof as may be necessary, is appropriated from the Motor Vehicle Account, State Transportation Fund	(500,000)
167	For support of Department of Motor Vehicles, payable from the Motor Vehicle License Fee Account, Transportation Tax Fund to be transferred to Item 165, as provided by Section 11003 of the Revenue and Taxation Code.	17,779,312
168	For support of Department of Motor Vehicles, payable from the California Environmental Protection Program Fund to be transferred to Item 165, as provided by Section 39101 of the Health and Safety Code.	1,233,259

Item		Amount
169—For support of Department of Motor Vehicles, payable from the State Bicycle License and Registration Fund ..... to be transferred to Item 165, as provided by Section 39001 of the Vehicle Code.		34,365
170—For support of Department of Motor Vehicles, the sum of $1,115,092 is appropriated from the Harbors and Watercraft Revolving Fund ..... to be transferred to Item 165, for undocumented vessel registration and fee collection.		(1,115,092)
171—For allocation by the Director of Finance to the Department of Motor Vehicles for implementation of Chapter 1179, Statutes of 1975, payable from the Motor Vehicle Account, State Transportation Fund		663,738
172—For support of the Stephen P. Teale Consolidated Data Center, Business and Transportation Agency, payable from the Stephen P. Teale Consolidated Data Center Revolving Fund.....		(10,458,752)

RESOURCES

173—To Resources Agency for support of Tahoe Regional Planning Agency ..... provided, that the Secretary of the Resources Agency may allocate funds appropriated by this item solely for the defense of actions brought in inverse condemnation, for the enforcement of ordinances, and for the establishment of air and water standards for the Tahoe Basin.		75,000
174—To Resources Agency for support of Waterways Management Planning Program pursuant to Chapter 761, Statutes of 1971, and Chapter 1259, Statutes of 1972		305,137
175—To Resources Agency for grants to public and private higher education for use as a maximum of two-thirds of the local matching share for projects under the National Sea Grant College and Program Act of 1966, as provided in subdivision (d) of Section 6217 of the Public Resources Code		500,000
176—For subvention to California Tahoe Regional Planning Agency ..... Schedule:		279,000
(a) Local assistance	179,000	
(b) Attorney General contract services	100,000	
177—For support of the Environmental Protection Program, Resources Agency, payable from moneys in		

Item		Amount
the California Environmental Protection Program Fund to be allocated by the Department of Finance upon recommendation of the Secretary of the Resources Agency		301,000
Schedule:		
(a) Department of Forestry	25,000	
(b) Department of Navigation and Ocean Development	7,000	
(c) Department of Parks and Recreation	64,000	
(d) Department of Water Resources	150,000	
(e) Resources Agency	55,000	
178—For support of California Conservation Corps		11,779,128
Schedule:		
(a) Personal services	2,403,705	
(b) Operating expenses and equipment	10,241,823	
(c) Reimbursements	−641,400	
(d) Federal funds	−225,000	
179—For support of State Energy Resources Conservation and Development Commission, payable from the State Energy Resources Conservation and Development Special Account, General Fund		17,902,551
Schedule:		
(a) Personal services	11,825,912	
(b) Operating expenses and equipment	8,826,103	
(c) Research and development	3,723,000	
(d) Reimbursements	−867,349	
(e) Federal funds	−3,355,115	
(f) Amount payable from General Fund (loan) (Item 180)	−2,000,000	
(g) Amount payable from State Energy Resources Conservation and Development Reserve Account, General Fund (Item 181)	−250,000	
provided, that because the importance of the commission's work and the lack of precedents, it is a condition of this appropriation that the commission shall submit a progress report to the Legislature every two months starting July 1, 1977, in which it lists research and technical assessment contracts in excess of $10,000 awarded in the preceding two months and such contracts to be awarded in the following two months.		
180—To Department of Finance for allocation to the State Energy Resources Conservation and Development Commission for support		2,000,000

Item		Amount
provided, that any allocation made pursuant to this item shall be upon such terms and conditions as may be prescribed by the Department of Finance; provided further, that an amount equal to that allocated by the Department of Finance pursuant to this item shall be transferred by the State Controller from the State Energy Resources Conservation and Development Special Account, General Fund, to the General Fund, as follows: (a) If the total allocation made pursuant to this item is $1,000,000 or less, an amount equal to such allocation shall be so transferred on or before June 30, 1979. (b) If the total allocation made pursuant to this item is more than $1,000,000, then at least $1,000,000 shall be so transferred on or before June 30, 1979, and an amount equal to the difference, if any, between the amount transferred on or before June 30, 1979, and the total allocation made, shall be transferred on or before June 30, 1980. Provided, further, that such repayment to the General Fund shall be made without interest.		
181—For allocation to the State Energy Resources Conservation and Development Commission from the State Energy Resources Conservation and Development Reserve Account, General Fund ..... provided, that such funds may be used only for the purpose specified in subdivision (a) of Section 10.7.		250,000
182—For support of Solid Waste Management Board.. Schedule:		2,760,969
(a) Personal services	1,153,715	
(b) Operating expenses and equipment	1,607,254	
183—For support of State Air Resources Board ..... Schedule:		2,595,384
(a) Personal services	10,823,589	
(b) Operating expenses and equipment	12,970,290	
(c) Consolidated data center.....	306,940	
(d) Reimbursements	−540,387	
(e) Federal funds	−1,599,614	
(f) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 184)	−12,989,089	
(g) Amount payable from the Automotive Repair Fund (Item 185)	−1,139,327	

Item		Amount
	(h) Amount payable from the California Environmental Protection Program Fund (Item 186)	−2,093,710
	(i) Amount payable from the Motor Vehicle Account, State Transportation Fund Loan (Item 187).	−3,100,000
	(j) Amount payable from the Air Pollution Control Fund (Item 188) ..	−43,308
	provided further, that the funds appropriated in subitem (c) may be allocated by the State Air Resources Board to subitems (a) and (b) above and expended therefrom for electronic data processing, provided further, that the Director of Finance may transfer the unencumbered balance of subitem (c) to the Stephen P Teale Consolidated Data Center, Item 172, Budget Act of 1977	
184	—For support of vehicular program, State Air Resources Board, to be transferred to Item 183, payable from the Motor Vehicle Account, State Transportation Fund	12,989,089
185	—For support of State Air Resources Board, to be transferred to Item 183, payable from the Automotive Repair Fund	1,139,327
186	—For support of State Air Resources Board, to be transferred to Item 183, payable from the Environmental Protection Program Fund	2,093,710
187	—For the purposes of Chapter 20 4 (commencing with Section 9889.50) of Division 3 of the Business and Professions Code, to be allocated by the Department of Finance as loans to the State Air Resources Board from the Motor Vehicle Account, State Transportation Fund, in amounts of which the total shall not exceed $2,490,933.....	2,490,933
	provided, that the amount appropriated in this item shall be reduced by the amount of any federal funds received by the State Air Resources Board or the Bureau of Automotive Repair, Department of Consumer Affairs, or by both such board and bureau, for the purposes of Chapter 20.4 (commencing with Section 9889 50) of Division 3 of the Business and Professions Code Any loan made pursuant to this item shall be repaid upon such terms and conditions as may be prescribed by the Department of Finance, including interest at the rate earned by the Pooled Money Investment Fund, on or before December 31, 1981, from any revenues from inspection fees collected for repayment purposes pursuant to Chap-	

Item		Amount
	ter 20.4 (commencing with Section 9889.50) of Division 3 of the Business and Professions Code. Provided further, that inspection fees collected pursuant to Section 9889.61 of the Business and Professions Code shall be deposited in the Automotive Repair Fund and are appropriated to the Air Resources Board for the purposes of Chapter 20.4 (commencing with Section 9889.50) of Division 3 of the Business and Professions Code. Provided further, that every attempt shall be made to utilize Department of Motor Vehicles field office facilities for inspection purposes. Provided, further, that no funds appropriated in this item may be encumbered until the Department of Finance has examined the board's plan of implementation of the motor vehicle inspection program; and upon completion of such examination, the Department of Finance shall allocate such funds as are sufficient to provide for implementation of the program until January 1, 1978, and on January 1, 1978, the department shall allocate the balance of the funds appropriated in this item.	
188	—For support of the State Air Resources Board, to be transferred to Item 183, payable from the Air Pollution Control Fund	43,308
189	—For assistance to counties in the operation of local air pollution control districts, State Air Resources Board, in accordance with Chapter 5 (commencing with Section 39800) of Part 2 of Division 26 of the Health and Safety Code ..... provided, that the amount appropriated by this item shall be reduced by order of the Director of Finance by the amount of any other funds that become available for the purposes of this item during the 1977–78 fiscal year, but the amount appropriated by this item shall not be reduced to less than $2,300,000.	4,500,000
190	—For assistance to counties in the operation of local air pollution control districts, State Air Resources Board, in accordance with Chapter 5 (commencing with Section 39800) of Part 2 of Division 26 of the Health and Safety Code, payable from the Motor Vehicle Account, State Transportation Fund	2,038,000
191	—For support of the Colorado River Board of California	138,621
	Schedule:	
	(a) Personal services 334,892	

Item		Amount
(b) Operating expenses and equipment	80,971	
(c) Reimbursement	−277,242	
192—For support of Department of Conservation		7,023,112
Schedule:		
(a) Personal services	5,381,367	
(b) Operating expenses and equipment	2,777,044	
(c) Consolidated data center	138,082	
(d) California Institute of Technology seismograph network	57,000	
(e) Reimbursements	−478,230	
(f) Federal funds	−165,000	
(g) Amount payable from State Highway Account, State Transportation Fund (Item 193)	−11,400	
(h) Amount payable from California Water Fund (Item 194)	−11,400	
(i) Amount payable from Strong-Motion Instrumentation Program Fund (Item 195)	−664,351	

provided, that the funds appropriated in subitem (c) may be allocated by the Department of Conservation to subitems (a) and (b) above and expended therefrom for electronic data processing; provided, further, that the Director of Finance may transfer the unencumbered balance of subitem (c) to the Stephen P. Teale Consolidated Data Center, Item 172 of this act.

Provided, further, that no funds appropriated for the well statistics data system (project no. 3200-05) may be allocated for that purpose until a critical design review has been completed in accordance with Sections 4950 to 4952, inclusive, of the State Administrative Manual and the Department of Finance has reported its findings and recommendations in writing to the Joint Legislative Budget Committee.

Provided, further, that not more than 25 percent of the funds appropriated in this item for the support of the State Resource Conservation Commission and its staff may be encumbered until the number of members of the commission that constitutes a quorum sufficient for the conduct of business has been appointed.

Item		Amount
193—For support of Department of Conservation to fund the state share of the California Institute of Technology seismograph network, to be transferred to Item 192, payable from the State Highway Account, State Transportation Fund		11,400
194—For support of Department of Conservation to fund the state share of the California Institute of Technology seismograph network, to be transferred to Item 192, payable from the California Water Fund		11,400
195—For support of Department of Conservation, in carrying out the functions of the Division of Mines and Geology, to be transferred to Item 192, payable from the Strong-Motion Instrumentation Program Fund		664,351
196—For support of Department of Forestry		77,514,919
Schedule:		
(a) Personal services	82,856,319	
(b) Operating expenses and equipment	21,584,211	
(c) Consolidated data center	160,792	
(d) Fire protection contract—counties	6,581,618	
(e) Fire protection contract—United States Forest Service	2,556,106	
(f) Reimbursements	−35,023,024	
(g) Federal funds	−1,033,995	
(h) Amount payable from Professional Forester Registration Fund (Item 199)	−45,750	
(i) Amount payable from Environmental Protection Program Fund (Item 197)	−107,858	
(j) Amount payable from Timber Tax Fund (Item 200)	−13,500	

Item			Amount
	provided, that an amount not more than $100,000 in emergency fire suppression and detection costs and related emergency revegetation costs may be expended from the amounts appropriated by subitems (a) and (b) without approval of the Department of Finance.		
	Provided, further, that the funds appropriated in subitem (c) may be allocated by the Department of Forestry to subitems (a) and (b) above and expended therefrom for electronic data processing; provided, further, that the Director of Finance may transfer the unencumbered balance of subitem (c) to the Stephen P. Teale Consolidated Data Center, Item 172 of this act.		
197—For support of Department of Forestry to fund a soil erosion study, to be transferred to Item 196, payable from the California Environmental Protection Program Fund			107,858
198—For allocation by the Director of Finance to the Department of Forestry for emergency fire suppression			5,000,000
199—For support of Department of Forestry, in carrying out the function of forester registration, to be transferred to Item 196, payable from the Professional Forester Registration Fund			45,750
200—For support of Department of Forestry, to be transferred to Item 196, the sum of $13,500 is appropriated from the Timber Tax Fund			(13,500)
201—For support of State Lands Division, State Lands Commission			4,616,062
	Schedule:		
	(a) Personal services	5,153,804	
	(b) Operating expenses and equipment	1,771,585	
	(c) Consolidated data center	23,469	
	(d) Reimbursements	−78,500	
	(e) Amounts payable under the provisions of Chapter 138, Statutes of 1964 (First Extraordinary Session)	−1,754,296	
	(f) Amount payable from Harbors and Watercraft Revolving Fund (Item 201.5)	−500,000	

Item		Amount
	provided, that the funds appropriated in subitem (c) may be allocated by State Lands Division to subitems (a) and (b) above and expended therefrom for electronic data processing; provided further, that the Director of Finance may transfer the unencumbered balance of subitem (c) to the Stephen P. Teale Consolidated Data Center, Item 172 of this act.	
201.5	—For support of State Lands Division, State Lands Commission, to be transferred to Item 201, in carrying out its authority under Sections 6108, 6216, 6216.1, 6224.1, 6301, 6303, 6303.1, 6309, 6326, 6819, and 6877 of the Public Resources Code in cooperation with the Department of Navigation and Ocean Development, for the identification and removal of manmade and natural obstructions from granted and ungranted tide and submerged lands, rivers, lakes, and streams, including the beds of navigable waterways, which obstructions have been exposed and made more accessible due to reduced flows and water level during the current drought and constitute the more serious impairments of the public's free and safe use of waters and waterways for swimming, boating, and recreation, payable from the Harbors and Watercraft Revolving Fund	500,000
	provided, that no funds appropriated by this item may be encumbered for the removal of obstructions on granted tide and submerged lands unless the local agency that has jurisdiction over such lands has consented to such removal.	
202	—For support of Seismic Safety Commission	217,275
203	—For transfer to the Fish and Game Preservation Fund (Item 205), solely for the support of existing programs devoted to nongame species management and protection and environmental protection	1,540,785
203.5	—For transfer to the Fish and Game Preservation Fund (Item 205), for the support of additional law enforcement activities, Department of Fish and Game	1,000,000

Item		Amount
204—For transfer to the Fish and Game Preservation Fund (Item 205), for the support of programs relating solely to environmental protection, management of nongame species, and updating the wildlife element of the California Fish and Wildlife Plan, Department of Fish and Game, payable from the California Environmental Protection Program Fund		1,278,000
205—For support of Department of Fish and Game, and for the maintenance and construction of fish screens and other stream improvements, and for the purchase of land for game production, improvement of waterfowl areas and research in game management under provisions of the Pittman-Robertson Act, fish restoration and management projects under the provisions of the Dingell-Johnson Act, commercial fisheries research and development projects under the provisions of the Commercial Fisheries Research and Development Act (Bartlett Act); and for the state's share of expenses of the Pacific Marine Fisheries Commission, Department of Fish and Game, payable from moneys in the Fish and Game Preservation Fund, including revenues subject to the provisions of Section 13005 of the Fish and Game Code, which revenues are hereby appropriated to the extent required to meet the appropriation made by this item		29,818,838
Schedule:		
(a) Personal services	22,725,082	
(b) Operating expenses and equipment	12,834,394	
(c) Consolidated data center—state operations	40,000	
(d) Pittman-Robertson program	4,045,300	
(e) Dingell-Johnson program	1,519,182	
(f) Commercial fish research and development	272,600	
(g) Anadromous Fish Act	1,175,400	
(h) Consolidated data center—federal programs	18,000	
(i) Pacific Marine Fisheries Commission	21,600	
(j) Reimbursements	−2,637,849	
(k) Federal funds	−6,376,086	
(*l*) Amount payable from the California Environmental Protection Program Fund (Item 204)	−1,278,000	

Item		Amount
	(m) Amount payable from the General Fund (Item 203)	−1,540,785
	(n) Amount payable from General Fund (Item 203.5)	−1,000,000

provided, that any moneys received in reimbursement of expenditures from subitems (d), (e), (f), and (g) shall be credited to this appropriation.

Provided further, that the funds appropriated in subitem (c) may be allocated by the Department of Fish and Game to subitems (a) and (b) above and expended therefrom for electronic data processing; provided further, that the funds appropriated in subitem (h) may be allocated by the Department of Fish and Game to subitems (e), (f), and (g) above and expended therefrom for electronic data processing; provided further, that the Director of Finance may transfer the unencumbered balance of subitems (c) and (h) to the Stephen P. Teale Consolidated Data Center, Item 172 of this act.

206	For investigation into the decline of the market crab in state waters, Department of Fish and Game, payable from the Fish and Game Preservation Fund	168,900
207	For research in the development of commercial fisheries of the Pacific Ocean and of marine products, Marine Research Committee, payable from the Fish and Game Preservation Fund from revenues derived under the provisions of Section 8046 of the Fish and Game Code	200,000
208	For projects for the purpose of protecting and propagating migratory waterfowl and for the preservation of wetlands, Department of Fish and Game, payable from the Fish and Game Preservation Fund from revenues derived under the provisions of Section 3700 of the Fish and Game Code	200,250
209	For the education or training of department employees, Department of Fish and Game, payable from the Fish and Game Preservation Fund from revenues derived under the provisions of Section 12018 of the Fish and Game Code	234,600
210	For programs related to native species conservation and enhancement as prescribed in the Native Species Conservation and Enhancement Act, Department of Fish and Game, payable from the Native Species Conservation and Enhancement Account in the Fish and Game Preservation Fund	29,400

Item		Amount
211—For support of Wildlife Conservation Board, payable from the Wildlife Restoration Fund		253,861
Schedule:		
(a) Personal services	190,831	
(b) Operating expenses and equipment	63,030	
provided, that any money in the Wildlife Restoration Fund in excess of the appropriation made by this item shall continue to be available pursuant to Section 1352 of the Fish and Game Code.		
212—For support of Department of Navigation and Ocean Development, to be transferred to Item 213		257,600
213—For support of Department of Navigation and Ocean Development, the sum of $1,897,562 is appropriated from the Harbors and Watercraft Revolving Fund		(1,897,562)
and in addition thereto, any amounts received from federal grants or other sources.		
Schedule:		
(a) Personal services	1,297,639	
(b) Operating expenses and equipment	837,523	
(c) Feasibility determinations	20,000	
(d) Amount payable from General Fund (Item 212)	−257,600	
214—For loans to cities, counties, or districts pursuant to Sections 70.2 and 71.4 of the Harbors and Navigation Code, Department of Navigation and Ocean Development, the sum of $9,265,000 is appropriated from the Harbors and Watercraft Revolving Fund		(9,265,000)
Schedule:		
(a) Benicia Marina—Solano County	2,000,000	
(b) Blythe Marina—Riverside County	500,000	
(c) Coyote Point Marina—San Mateo County	550,000	
(e) Martinez Marina—Contra Costa County	175,000	
(f) Monterey—Monterey County	800,000	
(g) Oyster Point—San Mateo County	1,000,000	
(h) Port of Oakland—Alameda County	800,000	
(j) Queensway Marina—Los Angeles County	200,000	
(k) Richmond—Contra Costa County	1,500,000	
(*l*) San Rafael Marina—Marin County	440,000	

Item		Amount
	provided, that $380,000 of the funds appropriated for this project may not be encumbered by contract unless and until permits for dredging and filling of wetlands, if such permits are required, have been granted by the Army Corps of Engineers and the San Francisco Bay Conservation and Development Commission.	
	(m) Spud Point, Bodega Bay Harbor —Sonoma County	200,000
	provided, that $140,000 of the funds appropriated for this project may not be encumbered by contract unless and until permits for dredging and filling of wetlands, if such permits are required, have been granted by the Army Corps of Engineers and the North Central Coast Regional Commission.	
	(n) Woodley Island Marina, Humboldt Bay—Humboldt County	1,000,000
	(o) Planning loans—statewide	100,000
215—For grants for construction and development of small craft launching facilities to cities, counties, districts, or other public agencies pursuant to Section 72.5 of the Harbors and Navigation Code, Department of Navigation and Ocean Development, the sum of $2,592,000 is appropriated from the Harbors and Watercraft Revolving Fund		(2,592,000)
	Schedule:	
	(a) Alameda—Alameda County	150,000
	(b) Antioch—Contra Costa County....	150,000
	(c) Aspen Grove, Eagle Lake—Lassen County	218,000
	(d) Black Butte Reservoir—Glenn County	30,000
	(e) Cabrillo Beach—Los Angeles County	134,000
	(f) Capell Cove, Lake Berryessa—Napa County.....	260,000
	(g) Crescent City Harbor—Del Norte County	250,000
	(h) Cuttings Wharf, Napa River—Napa County.....	180,000
	(i) Englebright Reservoir—Nevada County	30,000
	(j) Kaweah Reservoir—Tulare County	30,000
	(k) Klamath Glen—Del Norte County	100,000
	(*l*) Mammoth Pool Reservoir—Madera County	371,000

Item		Amount
(m) Pinecrest Lake—Tuolumne County	162,000	
(n) Redinger Lake—Madera County	67,000	
(o) Santa Fe Dam—Los Angeles County	220,000	
(p) Ventura Marina—Ventura County	40,000	
(q) Floating restrooms	100,000	
(r) Ramp repairs and extensions	100,000	
216—For allotment, pursuant to Section 663.7 of the Harbors and Navigation Code, for boating safety and enforcement programs, Department of Navigation and Ocean Development, the sum of $1,600,000 is appropriated from the Harbors and Watercraft Revolving Fund		(1,600,000)
217—For allocation by the Director of Finance to provide for repairs, authorized by the Director of Finance, of damage at small craft harbor facilities constructed pursuant to Sections 70.2, 71.4, and 72.5 of the Harbors and Navigation Code, caused by emergency conditions, including but not limited to tidal waves or severe storms, and for payment of deficiencies in appropriations for the Department of Navigation and Ocean Development which may be authorized by the Director of Finance; the sum of $100,000, or so much thereof as may be necessary, is appropriated from the Harbors and Watercraft Revolving Fund		(100,000)
218—For support of California Coastal Commission		4,657,627
Schedule:		
(a) Personal services	3,663,568	
(b) Operating expenses and equipment	2,339,059	
(c) Federal funds	−1,345,000	
218.5—To Department of Finance for allocation to the California Coastal Commission for support		530,000
provided, that of the funds appropriated in this item, such amounts as may be necessary may be allocated from time to time by the Director of Finance based on increased workload not sooner than 30 days after notification in writing of the necessity therefor to the chairman of the committee in each house that considers appropriations and the Chairman of the Joint Legislative Budget Committee, or not sooner than such shorter time as the chairman of such committee, or his designee, may in each instance determine.		
219—For assistance to local governments, California		

Item		Amount
	Coastal Commission, for coastal planning assistance as provided in Section 16 of Chapter 1330 of the Statutes of 1976, as amended by Section 28 of Chapter 1331 of the Statutes of 1976	336,250
	Schedule:	
	(a) Assistance to local planning agencies	1,681,250
	(b) Federal funds	−1,345,000
220	For reimbursement, in accordance with subdivision (a) of Section 2231 of the Revenue and Taxation Code, of the costs, which relate to activities of the California Coastal Commission, of any new program or increased level of service of an existing program mandated by statute, State Controller	400,000
	provided, that allocations to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute that mandates the reimbursement of such costs and of subdivision (d) of Section 2231 of the Revenue and Taxation Code	
221	For support of Department of Parks and Recreation	47,757,204
	Schedule:	
	(a) Personal services	39,586,810
	(b) Operating expenses and equipment	17,803,689
	(c) Reimbursements	−3,930,494
	(d) Federal funds	−1,802,586
	(e) Amount payable from the Hostel Facilities and Recreation Trails Account, General Fund (Item 222)	−115,068
	(f) Amount payable from Park and Recreation Revolving Account, General Fund (Item 223)	−109,729
	(g) Amount payable from State Park Highway Account, Bagley Conservation Fund	−1,155,000
	(h) Amount payable from Collier Park Preservation Fund (Item 224)	−1,849,038
	(i) Amount payable from Off-Highway Vehicle Fund (Item 225)	−491,748
	(j) Amount payable from Harbors and Watercraft Revolving Fund (Item 226)	−179,632
	provided, that no funds appropriated by this act	

Item	Amount
shall be encumbered after October 1, 1977, for the San Francisco Maritime State Historic Park, Stinson State Beach, or Muir Beach State Park.	
222—For support of Department of Parks and Recreation, to be transferred to Item 221 by the State Controller, payable from funds appropriated by subdivision (a) of Section 2 of Chapter 265, Statutes of 1974, and by Section 19.3, Budget Act of 1974	115,068
223—For support of the Department of Parks and Recreation, to be transferred to Item 221 by the State Controller, payable from the Parks and Recreation Revolving Account, General Fund	109,729
224—For support of the Department of Parks and Recreation, to be transferred to Item 221 by the State Controller, payable from the Collier Park Preservation Fund	1,849,038
225—For support of the Department of Parks and Recreation, to be transferred to Item 221 by the State Controller, payable from the Off-Highway Vehicle Fund	491,748
226—For support of Department of Parks and Recreation, to be transferred to Item 221 by the State Controller, the sum of $179,632 is appropriated pursuant to subdivision (d) of Section 663.7 of the Harbors and Navigation Code, Harbors and Watercraft Revolving Fund	(179,632)
227—For local assistance for urban open-space and recreation local grants program, Department of Parks and Recreation, to be available for expenditure during the 1977–78, 1978–79 and 1979–80 fiscal years, to be allocated by the Director of Parks and Recreation to counties, cities, cities and counties, and districts for acquisition or development, or both, of park and recreation areas and facilities and open-space areas in accordance with criteria approved in Section 2 of Chapter 6 of the Statutes of 1977	25,000,000
provided, that the Department of Finance may authorize the Department of Parks and Recreation to retain from this item an amount for administration of this program and for studies of urban park needs.	

Item		Amount
228—For grants to counties, cities, or cities and counties pursuant to subdivision (a) of Section 38270 of the Vehicle Code, Department of Parks and Recreation, payable from the Off-Highway Vehicle Fund to be available for expenditure during the 1977–78, 1978–79 and 1979–80 fiscal years		2,454,153
Schedule:		
(a) County of Riverside, De Anza Motorcycle Park	45,000	
(b) City of Huron, Huron Cycle Park	142,500	
(c) County of Santa Clara, Motorcycle Park	52,500	
(d) City of Norco, Neal Snipes Motorcycle Park	37,500	
(e) North Tahoe Public Utility District, North Tahoe Regional Park	75,000	
(f) County of Shasta, Off-Highway Vehicle Parking Area and Loading Ramp	75,000	
(g) County of Sacramento, Off-Road Vehicle Park Development Phase I	511,500	
(h) County of Sacramento, Sacramento County Off-Road Vehicle Park operations for the 1977–78 fiscal year only	125,000	
(i) County of Los Angeles, Rowher Flats Off-Highway Vehicle Park Project Phase I	531,975	
(j) Los Angeles County Flood Control District, San Gabriel River Off-Highway Vehicle Staging Area	108,178	
(k) County of San Diego, Santee Off-Road Vehicle Regional Park	750,000	
229—For support of Department of Parks and Recreation, Division of Exposition and State Fair, and for payment of principal and interest on revenue bonds to meet the provisions of Section 15849 of the Government Code		2,780,100
Schedule:		
(a) Support	5,669,938	
(b) Payment of interest and principal on revenue bonds	1,130,000	
(c) Operating revenues payable from Item 230	−3,664,288	
(d) Amount payable from the Fair and Exposition Fund	−265,000	

Item		Amount
(e) Reimbursements	−90,550	
provided, that no more than the amount actually needed to pay any deficit in principal and interest on the revenue bonds shall be made available for expenditure from subitem (b) of this item; and provided further, that the amount appropriated by subdivision (a) of Section 19622 of the Business and Professions Code shall be transferred by the State Controller to this item.		
230—For support of the Department of Parks and Recreation, Division of Exposition and State Fair, to be transferred to Item 229 by the State Controller provided, that the expenditures from the appropriation made by this item shall not exceed those operating revenues deposited in the General Fund by the Division of Exposition and State Fair.		3,664,288
231—For support of San Francisco Bay Conservation and Development Commission		654,475
Schedule:		
(a) Personal services	606,388	
(b) Operating expenses and equipment	379,750	
(c) Federal funds	−331,663	
231.5—For support of Santa Monica Mountains Comprehensive Planning Commission, in augmentation of the appropriation made in Section 3 of Chapter 1327 of the Statutes of 1976		100,000
232—For transfer to the Water Resources Revolving Fund, to be transferred by the State Controller in such amounts as the Department of Finance may authorize, for support of Department of Water Resources, including cooperative work with other agencies		19,925,900
Schedule:		
(a) Continuing formulation of the California Water Plan	9,104,100	
(b) Implementation of the State Water Resources Development System	2,130,600	
(c) Public safety and prevention of damage	8,163,500	
(d) Services	527,700	
(e) General management	5,636,100	
(f) Technical services	8,734,700	
(g) Less charges to general funded programs	−1,490,600	
(h) Less charges to other funded programs	−4,145,500	

Item		Amount
	(i) Less charges to programs.....—8,734,700 provided, that the money so transferred be placed in a special account in that fund and shall not be available for expenditure after June 30, 1978, and any unencumbered balances shall be returned to the General Fund as of June 30, 1978; provided further, that upon consolidation of the Department of Water Resources electronic data-processing operation in the Stephen P. Teale Consolidated Data Center, funds appropriated in subitem (f) for electronic data-processing operations cannot be expended for purposes other than contracting for such services with the Stephen P. Teale Consolidated Data Center without the approval of the Director of Finance.	
233—For expenditure by the Department of Water Resources, in accordance with Chapters 1 (commencing with Section 12570), 2 (commencing with Section 12639), 3 (commencing with Section 12800), 3.5 (commencing with Section 12840), and 4 (commencing with Section 12850) of Part 6 of Division 6 of the Water Code, for payment of, and for reimbursement for necessary advances made for, the cost of cooperation by the state for major flood control projects adopted by the Legislature, for small flood control projects approved under Section 12750 of the Water Code, and for watershed protection and flood prevention projects as authorized pursuant to Chapter 4 (commencing with Section 12850) of Part 6 of Division 6 of the Water Code, and administrative costs, Department of Water Resources		5,500,000
	provided, that no expenditure shall be made until the local organizations give assurances that they will maintain and operate the projects after completion in such manner as will accomplish the purposes for which the projects were authorized and constructed and as may be required by the federal agencies concerned and the Department of Water Resources, and that the local organizations will hold and save the State of California free from damages or claims due to the construction, installation, or operation of the project.	

Item		Amount
234—For expenditure by the Department of Water Resources, in accordance with the provisions of Part 9 (commencing with Section 12980) of Division 6 of the Water Code, for reimbursement of eligible local agencies for a portion of the annual maintenance or improvement costs incurred on non-project levees		200,000
provided, that no funds appropriated by this item shall be expended for the purpose of Part 9 (commencing with Section 12980) of Division 6 of the Water Code, unless a nonstate entity provides hold-harmless assurances to the State of California for the work which would be done with such funds.		
235—For support of State Water Resources Control Board		9,035,557
Schedule:		
(a) Personal services	16,461,876	
(b) Operating expenses and equipment	7,389,079	
(c) Consolidated data center	125,000	
(d) Reimbursements	—1,054,011	
(e) Federal funds	—3,834,252	
(f) Amount payable from the State Clean Water Grants Administration Revolving Fund (Item 236)	—6,905,548	
(g) Amount payable from State Clean Water Fund	—3,146,587	
provided, that the funds appropriated in subitem (c) may be allocated by the board to subitems (a) and (b) above and expended therefrom for electronic data processing; provided further, that the Director of Finance may transfer the unencumbered balance of subitem (c) to the Stephen P. Teale Consolidated Data Center, Item 172 of this act.		
Provided, further, that upon initiation of the space relocation project in the Resources Building, the amount specified in category (b) of the schedule of this item shall, upon order of the Director of Finance, be reduced by $128,836, of which amount not more than $53,660 may be moneys from the General Fund.		
236—For support of the facility development assistance program, to be transferred to Item 235, State Water Resources Control Board, the sum of $6,905,548 is hereby appropriated from the State Clean Water Grants Administration Revolving Fund		(6,905,548)

Item		Amount
provided, that the appropriation made by this item shall be reduced by an amount equal to the amount of any federal funds received for purposes of auditing expenditures under wastewater treatment plant construction program; provided further, that the Director of Finance may authorize the transfer of such funds as the Director of Finance determines is necessary from this item to Item 43 or Item 337, or both, for the purpose of auditing expenditures of the wastewater treatment plant construction program of the State Water Resources Control Board.		
236.4—For support of State Water Resources Control Board, for a study of the feasibility of constructing gradient control structures across the New and Alamo Rivers in Imperial County as means of controlling the level of the Salton Sea ..... provided, that none of the funds appropriated in this item may be expended unless and until the Imperial Irrigation District also provides $90,000 in matching funds for the study and the state board consults with the California Regional Water Quality Control Board for the Colorado River Basin regarding the design and conduct of the study.		90,000
HEALTH AND WELFARE		
236.5—For support of the Health and Welfare Agency Consolidated Data Center pursuant to Section 11778 of the Government Code ..... Schedule:		-0-
(a) Support	209,800	
(b) Reimbursements	-209,800	
237—For support of Department on Aging and Commission on Aging ..... Schedule:		1,301,409
(a) Support, Department on Aging	33,059,511	
(b) Support, Commission on Aging	202,028	
(c) Federal funds	-31,960,130	
and, in addition, any amounts received from federal grants or other sources shall be available for expenditure in accordance with the provisions of this item.		
238—For support of the Office of Alcoholism ..... Schedule:		1,578,293
(a) Support, Office of Alcoholism	2,093,172	
(b) Special projects	900,000	
(c) Reimbursements	-38,250	

Item		Amount
	(d) Federal funds ..... —1,376,629	
	provided, that upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item and Item 239.	
239	—For local assistance for alcoholism programs in accordance with the provisions of Division 11 (commencing with Section 19900), of the Welfare and Institutions Code, Office of Alcoholism	29,410,652
	Schedule:	
	(a) County-based programs 31,049,412	
	(b) State hospital services 1,903,900	
	(c) Vocational rehabilitation services 594,951	
	(d) Federal funds ..... —4,137,611	
	provided, that the Department of Finance may authorize the transfer of funds from this item to the Health Care Deposit Fund for the state's share of expenditures for alcoholism services provided to persons eligible under the California Medical Assistance Program.	
240.1	—For support of the Governor's Advisory Committee on Child Care (appointed pursuant to Section 8254 of the Education Code—which committee assists and advises the Governor, Department of Education, and other agencies with regard to child development programs)	70,000
241	—For support of Department of Health	59,062,139
	Schedule:	
	(a) Personal services 113,428,120	
	(b) Operating expenses and equipment 49,504,831	
	(c) For transfer to the Health Care Deposit Fund 18,632,658	
	(d) Reimbursements ..... —41,685,155	
	(e) Federal funds ..... —43,920,061	
	(f) Amount payable from other appropriations ..... —853,813	
	(g) Amount payable from Hazardous Waste Control Account, General Fund ..... —434,892	
	(h) Amount payable from Motor Vehicle Account, State Transportation Fund (Item 242) ..... —293,772	
	(k) Amount payable from Health Care Deposit Fund ..... —35,315,777	
	provided, that the funds appropriated in subitem (c) shall be transferred by the Controller to the Health Care Deposit Fund to match federal funds	

Item Amount

for support of the Department of Health; provided further, that the Director of Health may give public notice relative to proposing or amending any rule or regulation which could result in increased cost to any program administered by the Department of Health only after approval by the Department of Finance as to the availability of funds; provided further, that any rule or regulation adopted by the Director of the Department of Health during the 1977–78 fiscal year which adds to the cost of any program administered by the Department of Health shall only be effective from and after the date upon which it is approved as to availability of funds by the Department of Finance.

Provided, further, that the Department of Health may not adopt regulations that reduce the level or types of services available under the homemaker-chore program below the level and types of services available on May 1, 1977, or that have an annual fiscal impact of greater than $500,000 for such program, or that attempt to limit county reimbursement to any fixed amount, until the Chairman of the Joint Legislative Budget Committee, or his designee, has had at least 30 days in which to review the proposed regulations.

Provided, further, that the department shall use the 1974 edition of the publication entitled "Relative Value Studies," which is published by the California Medical Association, as the basis for reimbursing physician services; except that the department shall make such adjustments in rates paid to physicians as are necessary to prevent any increases in total physician reimbursement over the amount which would be paid by using the 1969 version of that publication.

Provided, further, that the department shall submit any Request for Proposal to be utilized to solicit competitive bids to provide Medi-Cal fiscal intermediary services on a contract basis, along with the evaluation procedures to be used by the department in selecting a contractor, to the Chairman of the Joint Legislative Budget Committee and the chairman of the committee in each house of the Legislature which considers appropriations, at least 60 days prior to the issuance of each such Request for Proposal.

Provided, further, that the department shall

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adopt regulations and corresponding reimbursement rates establishing standards of care and treatment for Intermediate Care Facilities serving the developmentally disabled by December 15, 1977.

Provided, further, that the department shall seek and utilize federal funds to the fullest extent possible in supporting the statewide demonstration program on child sexual abuse.

Provided, further, that beginning July 1, 1977, at least 25 percent of the total completed occupational health inspections shall be initiated by the Occupational Health Branch.

Provided, further, that, notwithstanding any other provision of law, $85,000 appropriated in this item for minor capital outlay projects for the lead poisoning project may not be encumbered until such expenditure has been reviewed and approved by the State Public Works Board.

Provided, further, that the department may not implement a volume purchase plan or other similar pharmaceutical reimbursement program until after 45 days following submission to the Joint Legislative Budget Committee, and after the committee has received, reports of the department's action in the following cost control areas relative to the Medi-Cal drug program:

(a) Actions to identify fraudulent or abusive providers.
(b) Recovery of fraudulent claims.
(c) Exclusion of fraudulent and abusive providers from the program.
(d) The expected effect of implementation of a variable pharmacy services fee schedule.
(e) The effect of recipient copayment.
(f) The impact of increased pharmacy services costs in relation to other program cost increases.
(g) The amount of increased expenditures due to increased pharmacy fees.
(h) The amount of increase due to utilization rate increases.
(i) The amount of increase due to rising ingredient costs.

For purposes of this paragraph, approval shall be deemed to be given if the committee fails to disapprove the plan within the 45-day period.

Provided, further, that should any additional

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funds become available to the state for venereal disease programs, such funds shall be used in lieu of funds appropriated from the General Fund for such purpose.

Provided, further, that no funds appropriated in this item for lupus erythematosus research may be encumbered until contracts providing for such research have been approved by the committee created pursuant to Chapter 297 of the Statutes of 1976 to review such proposals.

Provided, further, that the director shall adopt and implement regulations, for the period January 1, 1978, to June 30, 1978, that establish a payment rate for skilled nursing facilities which is sufficient to provide a wage rate for nonadministrative employees which is equal to the median entry level wage rate for comparable classes of employment in general hospitals. The director shall inspect relevant payroll records of skilled nursing facilities to insure that the wage increases provided in this item have been implemented. Any facility which the director finds has not made the wage increases provided in this item shall be liable to the state for the amount of funds paid to such facility pursuant to this item.

241.1—For support of the Disabled Individuals Employment Project and the State Hospital Volunteer Program, Department of Health.. 1,000,000

Schedule:

(a) Disabled Individuals Employment Project 3,000,000

(b) State Hospital Volunteer Program 400,000

(c) Reimbursements ..... −2,400,000

provided, that upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item and Items 241, 244, 245 and 247; provided further, that no appropriation from the General Fund shall be encumbered for the Disabled Individuals Employment Project unless matching federal funds from the Federal Rehabilitation Act are made available to the Department of Health through an interagency agreement between the Department of Health and the Department of Rehabilitation.

241.2—For support of the Department of Health for licensing and certification 14,149,351

Schedule:

(a) Health care facilities licensing..... 11,035,333

Item		Amount
	(b) Community care facilities licensing	9,999,399
	(c) Facilities construction	2,914,565
	(d) Provider participation	339,508
	(e) Medical social review	1,880,559
	(f) For transfer to the Health Care Deposit Fund	1,355,441
	(g) Reimbursements	−1,500,000
	(h) Federal funds	−2,630,441
	(i) Amount payable from other appropriations	−753,520
	(j) Amount payable from Hospital Building Account, Architecture Public Building Fund	−1,641,945
	(k) Amount payable from Health Facility Construction Loan Insurance Fund	−164,415
	(*l*) Amount payable from Health Care Deposit Fund	−6,685,133

Provided, that upon order of the Department of Finance, the State Controller shall authorize the transfer of funds from (f) of this item to the Health Care Deposit Fund for the state's share of expenditures under the California Medical Assistance Program.

Provided further, that upon order of the Department of Finance, the State Controller shall authorize the transfer of funds from this item to Item 241 for indirect administrative costs.

241.3—For support of Senior Citizens Multi-Purpose Centers Project and projects involving adult day health service centers, Department of Health 2,000,000

provided, that the funds appropriated by this item for multipurpose centers shall be utilized to match federal funds and finance startup costs for such centers in order to provide services; and provided, further, that the department shall use funds appropriated for adult day health service centers to match available federal funds to the fullest extent possible to senior citizens.

242—For support of Department of Health, to be transferred to Item 241, payable from the Motor Vehicle Account, State Transportation Fund 293,772

244—For support of the hospitals for the mentally ill for judicially committed patients, patients committed pursuant to the Penal Code and those mentally ill patients whose county of residence is not participating in a local mental health program as pro-

Item		Amount
	vided in Division 5 (commencing with Section 5000) of the Welfare and Institutions Code, Department of Health	28,503,106
	Schedule:	
	(a) State-operated services 28,161,106	
	(b) Community-based programs 242,000	
	(c) Program evaluation and patient tracking system 100,000	
	provided, that upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item and Items 245 and 247.	
	Provided further, that at least $506,895 shall be available for psychiatric technician training.	
245—For	assistance to local agencies in the establishment and operation of mental health services, in accordance with the provisions of Division 5 (commencing with Section 5000) of the Welfare and Institutions Code, Department of Health.....	331,334,703
	Schedule:	
	(a) Local mental health services 226,761,737	
	(b) State-operated services 101,572,966	
	(c) Community-based programs..... 3,000,000	
	and in addition, any amounts transferred from the Health Care Deposit Fund shall augment and be available for expenditure in accordance with the provisions of subitem (a).	
	Provided, that the Department of Finance may authorize the transfer of funds from this item to the Health Care Deposit Fund for the state's share of expenditures for mental health services provided to patients eligible under the California Medical Assistance Program.	
	Provided further, that upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item and Items 244, 246, and 247.	
	Provided further, that upon order of the Department of Finance, funds may be transferred to Item 252 to match federal funds in order to provide services to former, potential, and current recipients of public assistance receiving mental health services under the provisions of Division 5 (commencing with Section 5000) of the Welfare and Institutions Code.	
	Provided further, that the amount specified in category (c) shall be used solely for the development and operation of local treatment programs	

Item		Amount
	that will permit diversion to local facilities for minors or for persons described in Section 5150 of the Welfare and Institutions Code or Section 4011.6 of the Penal Code who would otherwise be served through state hospitals; provided, further, that such funds shall be used to the extent required to meet 90 percent of actual net costs above those amounts transferred from category (b); and provided, further, that such funds shall be allocated on the basis of county plans approved by the Department of Health and the Department of Finance.	
	Provided, further, that the Department of Health shall comply with the provisions of Chapter 962, Statutes of 1976, and that no position shall be administratively established nor shall any authorized position be redirected to replace the person appointed as chief executive officer of the state hospital.	
	Provided, further, that the Department of Health shall not use positions or funds budgeted in the state hospitals elsewhere in the department.	
246—For local assistance for narcotics and drug abuse program, Department of Health		19,503,490
	Schedule:	
	(a) Local assistance 33,726,911	
	(b) Federal funds 14,223,421	
	provided, that upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item and Item 245 for purposes of paying the cost of local assistance, narcotics and drug abuse programs; and provided, further, that no county shall receive an allocation from the $3,000,000 appropriated in this item for program expansion unless the county maintains its expenditures for existing programs at the levels at which they were funded by the county in the 1976–77 fiscal year.	
247—For local assistance for the developmental disabilities program, Department of Health		277,704,387
	Schedule:	
	(a) State hospital services 189,916,896	
	(b) For contracts with regional center operations 85,214,431	

Item		Amount
(c)	Special treatment programs in accordance with Sections 72395 to 72445, and 73391 to 73441, inclusive, of Title 22 of the California Administrative Code	1,600,000
(d)	Community program development and special project	2,207,981
(e)	Protective living services	9,420,656
(f)	State Developmental Disabilities Planning and Advisory Council	578,007
(g)	Area Boards on Developmental Disabilities	1,040,413
(h)	Federal funds	—12,773,997
(i)	Payable from the Program Development Fund (Sec. 38257, Health and Safety Code)	—600,000
(j)	Intermediate care facilities for the developmentally disabled	1,100,000

provided, that the Department of Finance may authorize the transfer of funds from this item to Item 252 to match federal funds to provide protective living services to the mentally retarded; provided further, that upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item and Items 244 and 245; provided further, that the Department of Finance may authorize the transfer of funds from this item to the Health Care Deposit Fund for the state's share of expenditures for developmental disabilities services provided to persons eligible under the California Medical Assistance Program.

Provided, further, that the Director of Health may authorize rate exceptions in instances where the Schedule of Maximum Allowances effective July 1, 1977, is lower than rates received by providers in the 1976–77, fiscal year for 24-hour community care facilities for the developmentally disabled until such time as the department adopts regulations establishing rates for "special services" pursuant to subdivision (c) of Section 38261 of the Health and Safety Code, but such rate may not exceed the rate of payment received by such facility in the 1976–77 fiscal year; and provided, further, that no rate exceptions shall extend beyond June 30, 1978.

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248—For transfer to the Health Care Deposit Fund to provide for the state's share of Medical Assistance Program expenditures for medical care and services	1,084,267,400

provided, except as otherwise provided in this item, that the amount authorized to be expended by this item shall fully cover the state's share of payments for medical care and services as defined in the Welfare and Institutions Code, for the 1977–78 fiscal year; provided further, that notwithstanding any other provision of law, funds transferred from this item to the Health Care Deposit Fund by the State Controller shall not exceed the state's share, determined pursuant to a plan approved by the Director of Finance, of bills for services and administration approved for payment as certified by the Director of Health.

Provided further, that after June 30, 1978, a transfer to the Health Care Deposit Fund from this item shall be permitted to meet the total General Fund obligation.

Provided further, that upon the request of the Director of Health and the approval of the Director of Finance, funds may be advanced to the Health Care Deposit Fund only pursuant to the provisions of Section 16351 of the Government Code.

Provided, notwithstanding any other provision of law, that the Department of Health may give public notice relative to proposing or amending any rule or regulation which could result in increased cost to the Medical Assistance Program only after approval by the Department of Finance as to the availability of funds; provided further, that any rule or regulation adopted by the Director of the Department of Health during the 1977–78 fiscal year which adds to the cost of the Medical Assistance Program shall only be effective from and after the date upon which it is approved as to availability of funds by the Department of Finance.

Provided, that notwithstanding any other provision of law, any federal and county funds received under the provisions of Section 14157 of the Welfare and Institutions Code during the 1977–78 fiscal year, for expenditures for health care services pursuant to Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and

Item Amount

Institutions Code, made from funds transferred to the Health Care Deposit Fund from the General Fund in prior years, shall be transferred from the Health Care Deposit Fund to the General Fund.

Provided, that notwithstanding any other provision of law, the disposition of any money recovered for previously paid health care services provided pursuant to Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code shall be as follows:

(1) If recovered from a third party who is civilly liable or under a contractual obligation, the nonfederal share shall, after being deposited in the Health Care Deposit Fund, be transferred to the General Fund.

(2) If recovered by the fiscal intermediary, both federal and nonfederal shares, except as provided in paragraph (1) of this proviso, are hereby appropriated and shall be expended as soon as practicable for medical care and services as defined in the Welfare and Institutions Code.

(3) If recovered by the state for settlement of county hospital cost report audits, both federal and nonfederal shares are hereby appropriated and shall be expended as soon as practicable for medical care and services as defined in the Welfare and Institutions Code.

(4) If not otherwise provided for in this proviso, the nonfederal share shall, after being deposited in the Health Care Deposit Fund, be transferred to the General Fund.

Provided, that notwithstanding any other provision of law, accounts receivable for recoveries as described in this item shall have no effect upon the surplus of the General Fund or the Health Care Deposit Fund.

Provided, that notwithstanding any other provision of law, money recovered as described in this item required to be transferred from the Health Care Deposit Fund to the General Fund shall be credited by the State Controller to the General Fund without regard to the appropriation from which it was drawn.

Provided further, that funds appropriated by this item for the Mediscreen Program shall be allocated and administered in conjunction with funds appropriated in Item 254(j) for the Child Health Disability Prevention Program.

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	Provided further, that the Department of Health shall reimburse hospitals operated by the University of California for medical teaching purposes, where the university is responsible for the operating costs of such a hospital, at rates for services to Medi-Cal patients which results in the minimum General Fund liability for the care of such patients.	
249—For transfer to the Health Care Deposit Fund to provide for the state's share of Medical Assistance Program expenditures for fiscal intermediary services		21,952,700
	provided, that the amount authorized to be expended by this item shall fully cover the state's share of payments for fiscal intermediary services for the 1977–78 fiscal year; provided further, that notwithstanding any other provision of law, funds transferred from this item to the Health Care Deposit Fund by the State Controller shall not exceed the state's share, determined pursuant to a plan approved by the Director of Finance, of bills for services and administration approved for payment as certified by the Director of Health.	
	Provided further, that after June 30, 1978, a transfer to the Health Care Deposit Fund from this item shall be permitted to meet the total General Fund obligation. Provided further, that upon the request of the Director of Health, and the approval of the Director of Finance, funds may be advanced to the Health Care Deposit Fund only pursuant to the provisions of Section 16351 of the Government Code.	
	Provided further, that notwithstanding any other provision of law, the Department of Health may give public notice relative to proposing or amending any rule or regulation which could result in increased cost to the Medical Assistance Program only after approval by the Department of Finance as to the availability of funds; provided further, that any rule or regulation adopted by the Director of the Department of Health during the 1977–78 fiscal year which adds to the cost of the Medical Assistance Program shall only be effective from and after the date upon which it is approved as to availability of funds by the Department of Finance.	

Item		Amount
250	For transfer to the Health Care Deposit Fund to provide for the state's share of Medical Assistance Program expenditures for county administration provided, that the amount authorized to be expended by this item shall fully cover the state's share of payments for county administration for the 1977–78 fiscal year; provided further, that notwithstanding any other provision of law, funds transferred from this item to the Health Care Deposit Fund by the State Controller shall not exceed the state's share, determined pursuant to a plan approved by the Director of Finance, of bills for services and administration approved for payment as certified by the Director of Health. Provided further, that after June 30, 1978, a transfer to the Health Care Deposit Fund from this item shall be permitted to meet the total General Fund obligation. Provided further, that upon the request of the Director of Health, and the approval of the Director of Finance, funds may be advanced to the Health Care Deposit Fund only pursuant to the provisions of Section 16351 of the Government Code. Provided further, that notwithstanding any other provision of law, the Department of Health may give public notice relative to proposing or amending any rule or regulation which could result in increased cost to the Medical Assistance Program only after approval by the Department of Finance as to the availability of funds; provided further, that any rule or regulation adopted by the Director of Health during the 1977–78 fiscal year which adds to the cost of the Medical Assistance Program shall only be effective from and after the date upon which it is approved as to availability of funds by the Department of Finance. Provided further, that during the 1977–78 fiscal year, the Department of Health shall continue the implementation of a plan whereby costs for county administration will be effectively controlled within the amount appropriated by this item. Provided further, that notwithstanding any provisions of the Welfare and Institutions Code to the contrary, the amount of state funds available to counties for the administration of the Medical	90,818,600

Item		Amount
	Assistance Program shall be limited to the amount appropriated in this item, administered in accordance with the County Administrative Cost Control Plan by the Department of Health for fiscal year 1977–78.	
	Provided further, that the Department of Health shall report by October 1, 1977, to the Legislature and the Department of Finance, cost-of-living increases to be reimbursed to each county in excess of 6 percent for the 1977–78 fiscal year with an explanation of the reasons therefor.	
251—For transfer to Item 248 upon order of the Department of Finance for increased hospital reimbursements as may be necessary pursuant to law in effect during the 1977–78 fiscal year		73,600,000
252—For the cost of special social service programs for which federal grants-in-aid are made to the state; for rehabilitative and employment services; for grants or services to local agencies for the extension of child welfare services; for the cost of the adoption programs and care of children, to be expended in accordance with the provisions of Chapter 2 (commencing with Section 16100) of Part 4 of Division 9 of the Welfare and Institutions Code; for the costs incurred by counties, including but not limited to, the required matching funds, for in-home supportive services as provided by Article 7 (commencing with Section 12300) of Chapter 3 of Part 3 of Division 9, of the Welfare and Institutions Code; for the cost of local agency special training and statewide demonstration programs; for the cost of providing child development services pursuant to Chapter 2 (commencing with Section 8200) of Part 6 of Division 1 of Title 1 of the Education Code; and for the costs of community rehabilitation of mentally handicapped, Department of Health		125,317,392
Schedule:		
(a) Child development services. . ..		49,351,923
(b) Child protection		3,400,000
(c) Regional centers		7,013,336
(d) Community rehabilitation		18,898,784
(e) Blind counselors.....		140,000
(f) Homemaker chore service		...153,973,000
(g) Adoptions		15,392,594
(h) Demonstration programs		2,592,102
(i) Other county social services .		142,548,406
(j) Reimbursements and transfers .. .–		18,851,011

Item		Amount
	(k) Federal funds	−247,316,742
	(*l*) Amount payable from other appropriations	−1,825,000

provided, that upon order of the Department of Finance, funds may be transferred to the Department of Benefit Payments to match federal funds; provided further, that upon order of the Department of Finance, funds may be transferred from subitem (f) to Item 248 for the provision of homemaker chore medical services for those persons who are eligible under the California Medical Assistance Program.

Provided further, that the amount of federal Title XX funds allocated to each county shall not be less than the amount of federal social service funds allocated to such county under this program in the 1975–76 fiscal year.

Provided further, that the amount of $37,213,-932 is appropriated from category (k) Federal Funds, to category (a) Child Development Services; provided further that the Department of Health may transfer funds between this item and Item 241 for the purpose of implementing the requirement of this paragraph.

Provided further, that any increased allocation of funds appropriated in this item for "other county social services" shall be available when matched by 25 percent in increased county program funds above the level in existence during the 1976–77 fiscal year.

Provided further, that should additional Title XX federal funds become available to California during the 1977–78 fiscal year such funds shall be used in lieu of moneys appropriated from the General Fund for "other county social services."

253	For transfer to Items 247, 248, 254, and 255, upon order of the Department of Finance, for the state's share of rate increases for providers of health care services under the California Medical Assistance Program, and other local assistance programs	100,767,442

provided, that the Department of Health shall promulgate regulations establishing Medi-Cal reimbursement rates for emergency room physicians providing medical service in hospital emergency departments at 100 percent of the maximum reimbursement rates allowed for physician services.

Item			Amount
254—For assistance to cities, counties and local public and private nonprofit agencies for health services, Department of Health			36,873,745
Schedule:			
(a) For a tuberculosis control program in accordance with the provisions of Sections 3279 to 3295 and 3315 to 3317, inclusive, of the Health and Safety Code		349,611	
(b) Local health agencies, districts, and private nonprofit agencies, in accordance with the provisions of Article 3 (commencing with Section 300), Chapter 2, Part 1, Division 1 of, Chapter 8 (commencing with Section 1100), Part 2, Division 1 of, and Chapter 7 (commencing with Section 3380), Chapter 8 (commencing with Section 3400), and Chapter 10 (commencing with Section 3480) of, Division 4 of, the Health and Safety Code		9,597,732	
(c) Special medical care program		2,360,558	
Subschedule			
(1) Hemophilia services in accordance with Article 3.6 (commencing with Section 340), Chapter 2, Part 1, Division 1 of the Health and Safety Code	1,032,150		
(2) Cystic fibrosis programs in accordance with Article 3.6 (com- mencing with Section 340), Chapter 2, Part 1, Division 1 of the Health and Safety Code	173,000		
(3) Renal dialysis program in accordance with Article 7.7 (com- mencing with Section 417),			

Item		Amount
	Chapter 2, Part 1, Division 1 of the Health and Safety Code 876,408	
	(4) Genetically handicapped person's program in accordance with Article 3.6 (com- mencing with Section 340) of Chapter 2 of Division 1 of the Health and Safety Code 279,000	
(d)	Genetic disease prevention	2,552,515
(e)	Tay-Sachs disease screening	371,000
(f)	Immunization assistance.....	715,500
(g)	Indian health services in accordance with Article 14 (commencing with Section 429.30), Chapter 2, Part 1, Division 1 of the Health and Safety Code.....	2,269,435
(h)	Family planning services in accordance with Sections 10053.2 and 10053.3 of the Welfare and Institutions Code	21,451,873
(i)	Maternal and child health services	9,096,895
(j)	Child health disability prevention in accordance with Article 3.1 (commencing with Section 306), Chapter 2, Part 1, Division 1 of the Health and Safety Code.....	12,221,864
(k)	Family physician training in accordance with Chapter 1 (commencing with Section 69270), Part 42, Division 5, Title 3 of the Education Code.....	1,204,300
(*l*)	Rural health in accordance with Part 4 (commencing with Section 1185) of Division 1 of the Health and Safety Code.....	2,100,000
(m)	For transfer to the Health Care Deposit Fund	2,282,064
(n)	Amount payable from the Health Care Deposit Fund	—7,283,748
(o)	Federal funds	—16,194,671
(p)	Amount payable from other appropriations.....	—6,221,183

Item		Amount
provided, that upon order of the Department of Finance, the State Controller shall authorize the transfer of funds from subitem (j) to the Health Care Deposit Fund for the state's share of expenditures for child health disability prevention services provided to persons eligible under the California Medical Assistance Program.		
255—For assistance to cities, counties, and local public and private nonprofit agencies for crippled children's services, Department of Health		26,000,817
Schedule:		
(a) Services to physically handicapped children in accordance with provisions of Article 2 (commencing with Section 248) of Chapter 2 of Division 1 of the Health and Safety Code	32,324,812	
(b) Reimbursements	−1,128,995	
(c) Federal funds	−4,230,000	
(d) Family repayments	−965,000	
provided, that any person who is eligible for and is receiving services under the program funded by this item shall not be denied services or suffer an interruption of services because of any relocation within this state.		
256—For reimbursement, in accordance with subdivision (a) of Section 2231 of the Revenue and Taxation Code, of the costs, which relate to activities of the Department of Health, of any new program or increased level of service of an existing program mandated by statute, State Controller		579,288
provided, that allocations to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute that mandates the reimbursement of such costs and of subdivision (d) of Section 2231 of the Revenue and Taxation Code.		
257—For support of Employment Development Department		13,907,868
Schedule:		
(a) Work incentive programs, as specified in Division 2 (commencing with Section 5000) of the Unemployment Insurance Code, for transfer by the State Controller to the Special Deposit Fund	4,398,456	
provided, that the State Controller shall transfer		

Item		Amount
	these funds only at such time as federal funds are deposited in the Special Deposit Fund and no transfer so made shall exceed 12.5 percent of the amount of federal funds so deposited; and provided, further, the amount available for transfer to the Special Deposit Fund shall be reduced by the amount in cash or in kind available from other sources as the state's share of the work incentive program, as determined by the Employment Development Department and certified to the State Controller.	
	(b) Service Center Program as specified in Section 301.5 of the Unemployment Insurance Code.....	4,169,137
	(c) Office of Economic Opportunity and, in addition, any amounts received from federal grants or other sources shall be available for expenditure in accordance with the provisions of this item.	155,500
	Subschedule:	
	(1) Support..... 1,009,794	
	(2) Federal funds ..... −854,294	
	provided, that no funds may be expended for this subitem unless and until federal matching funds are available for the purpose of funding this office.	
	(d) For payment to various local jurisdictions and state agencies for support of the migratory agricultural workers.....	3,526,950
	provided, that no such funds shall be used to carry out the broader functions of the Rural and Migrant Affairs Program Coordinator.	
	(e) Job Agents Program as specified in Division 3 (commencing with Section 9000) of the Unemployment Insurance Code	1,657,825
258	—For support of Employment Development Department, payable from the Department of Employment Development Contingent Fund..... and in addition thereto, any grants made available by the federal government; provided, that all or any portion of this appropriation may be transferred to the Unemployment Administration Fund upon executive order of the Department of Finance.	2,048,825
259	—For administration of unemployment compensation disability benefits, Employment Develop-	

Item			Amount
	ment Department, the sum of $25,623,896 is appropriated from the Unemployment Compensation Disability Fund		(25,623,896)
260—For support of Department of Rehabilitation			11,326,021
	Schedule:		
	(a) I. Vocational rehabilitation of the disabled	10,822,685	
	(1) Total program 90,158,947		
	(2) Reimbursements ..—6,276,390		
	(3) Federal funds .....—73,059,872		
	(b) II. Nonrehabilitative services	268,163	
	(1) Total program 1,355,650		
	(2) Federal funds .....—1,087,487		
	(c) III. Development of private sector rehabilitation resources.....	235,173	
	(1) Total program 3,175,864		
	(2) Federal funds .....—2,940,691		
	(d) IV. General .....—0—		
	(1) Departmental administration..... 9,258,472		
	(2) Amount chargeable to programs I through III .....—9,258,472		
	provided, that upon approval of the Director of Finance, the above programs may be augmented from other budget items in this act where funds have been budgeted for transfer to the Department of Rehabilitation for the programs contained in this budget item. Provided further, that such transfers shall enable the state to make maximum utilization of available federal funds.		
261—For support of Department of Benefit Payments, together with any grants made available by the federal government for support of the Department of Benefit Payments during the 1977–78 fiscal year			16,939,470
	Schedule:		
	(a) Personal services	52,579,150	
	(b) Operating expenses and equipment	21,251,702	
	(c) Reimbursements —42,798,219		
	(d) Federal funds —14,093,163		
	provided, that any rule or regulation adopted and any All-County Letters issued affecting state expenditures by the State Department of Benefit Payments during the 1977–78 fiscal year which adds to the cost of any public assistance program shall only be effective from and after the date		

Item		Amount
	upon which it is approved as to availability of funds by the Department of Finance Provided further, that funds appropriated by this item may be transferred to the Health Care Deposit Fund to be matched by federal funds for administrative services rendered under the Medi-Cal Program. Provided further, that any position downgrades shall be permanent, not temporary, unless the position will be restored to its original level within a three-month period.	
262—For State Supplementary Program for Aged, Blind and Disabled (SSP), as provided by Article 1 (commencing with Section 12000) to Article 5 (commencing with Section 12200), inclusive of Chapter 3 of Part 3 of Division 9 of the Welfare and Institutions Code, Department of Benefit Payments		797,579,700
	provided, that this appropriation is in addition to the county contribution required for this program as prescribed by Section 12400 of the Welfare and Institutions Code. Provided further, that there is further appropriated for purpose of this item, subject to the review of the Director of Finance, such funds as are required to meet the terms of the contract between the State of California and the Secretary of Health, Education and Welfare relating to the State Supplementary Program for Aged, Blind and Disabled (SSP). The Director of Finance shall report to the Legislature within 15 days any such reviews of expenditure in excess of this appropriation. At such time as a report is made, the amount of this appropriation shall be increased by the amount of such excess unless or until otherwise provided by law. Provided further, that any rule or regulation adopted, and any All-County Letters issued affecting state expenditures by the Department of Benefit Payments during 1977–78 fiscal year which adds to the costs of the SSP Program shall only be effective from and after the date upon which it is approved as to availability of funds by the Director of Finance.	
263—For the costs of the state's share of special adult programs, including, (a) special circumstances, as defined in Sections 12550 and 12551 of the Welfare and Institutions Code, (b) special benefits, pursu-		

Item		Amount
ant to Section 12553 of the Welfare and Institutions Code, (c) aid to the potentially self-supporting blind, pursuant to Chapter 5 (commencing with Section 13000) of Part 3 of Division 9 of the Welfare and Institutions Code, and (d) emergency payments, pursuant to Section 12525 of the Welfare and Institutions Code, Department of Benefit Payments		6,015,700
Schedule:		
(a) Special circumstances	3,117,100	
(b) Special benefits	66,600	
(c) APSB	790,500	
(d) Emergency payments	2,041,500	
provided, that no changes in welfare rules and regulations may add to program or administrative annual costs, funded from the General Fund, in excess of $500,000, unless such changes are specifically required by court order or change in federal or state statutory law or specifically included in an appropriation made by this act or approved by the Joint Legislative Budget Committee.		
264—For the state's share of costs for providing child care services as part of the Work Incentive Program (WIN) as authorized by Part A of Title IV of the Social Security Act and pursuant to Section 15150 of the Welfare and Institutions Code, Department of Benefit Payments		327,803
265—For the state's share of the nonfederal administrative costs of administering (a) the payment of aid grants as specified in Section 15204.2 of the Welfare and Institutions Code, (b) Special Adult Programs, (c) food stamps, as provided by Chapter 10 (commencing with Section 18900) of Part 6 of Division 9 of the Welfare and Institutions Code, and (d) emergency payments, Department of Benefit Payments		72,527,100
Schedule:		
(a) AFDC administration	57,882,800	
(b) Administration of Special Adult Programs	1,509,500	
(c) Food stamp administration	12,428,700	
(d) Emergency payments administration	508,500	
(e) Nonmedical out-of-home care administration	197,600	
provided, that the department may act in the place of any county and assume direct responsibility for the administration of eligibility and grant		

Item Amount

determination. Upon recommendation of the Director of Benefit Payments, the Director of Finance may authorize the transfer of funds to Item 261 for this purpose.

Provided further, that during the 1977–78 fiscal year, the Department of Benefit Payments shall continue the implementation of a plan whereby costs for county administration will be effectively controlled within the amount appropriated by this item.

Provided further, that notwithstanding any provisions of the Welfare and Institutions Code to the contrary, the amount of state funds available to the counties for administration of the AFDC, Food Stamp, Special Adult, and Emergency Payment Programs shall be limited to the amount appropriated by this item, and shall be administered, in accordance with the county administrative cost control plan, by the Department of Benefit Payments during the 1977–78 fiscal year.

Provided, that notwithstanding any other provision of law, the Department of Benefit Payments may withhold state financial support of a county's automated welfare operations if the county does not provide a fiscal accounting of such operations in the form and manner as may be requested by the department; provided further, that the Department of Benefit Payments may enter into agreements with a county wherein state financial support for the development or modification of county automated welfare operations is conditioned upon the realization of savings projected by the county.

Provided further, that the Department of Benefit Payments shall report by October 1, 1977, to the Legislature and the Department of Finance, cost-of-living increases to be reimbursed to each county in excess of 6 percent for the 1977–78 fiscal year, with an explanation of the reasons therefor.

Provided further, that funds appropriated by this item may be used to reimburse counties for expenditures incurred pursuant to subdivision (a) of Section 2231 of the Revenue and Taxation Code.

266—For reimbursement, in accordance with subdivision (a) of Section 2231 of the Revenue and Taxation Code, of the costs, which relate to activities of

Item		Amount
the Department of Benefit Payments, of any new program or increased level of service of an existing program mandated by statute, State Controller		18,524,300
Schedule:		
(a) Unemployment benefits	900,000	
(b) AFDC grants	17,624,300	
provided, that allocations to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute that mandates the reimbursement of such costs and subdivision (d) of Section 2231 of the Revenue and Taxation Code.		
Provided further, that, notwithstanding any other provision of this section, the appropriation made by this item is available to the department for the payment of deficiencies incurred in connection with unemployment benefits for classified school employees in the 1975–76 and 1976–77 fiscal years.		
267—For support of Department of Corrections		227,467,636
Schedule:		
(a) I. Reception and diagnosis	2,708,660	
(b) II. Institutional program	189,737,212	
(c) III. Releasing authorities	144,827	
(d) IV. Community correctional program	25,971,735	
(e) V. Administration	10,760,690	
(g) Reimbursements	−1,813,425	
(h) Federal funds	−42,063	
provided, that upon executive order of the Department of Finance, any portion of this item which reflects savings due to reduction of population may be transferred to and in augmentation of Item 280 of this act.		
268—For support of the Community Release Board		3,542,303
269—For costs incurred pursuant to Chapter 1347, Statutes of 1976, Department of Corrections		22,600
270—For transportation of prisoners to and between state prisons, including the return of parole violators to prison and for the conveying of persons under provisions of Division 3 (commencing with Section 3000) of the Welfare and Institutions Code and the Western Interstate Corrections Compact (commencing with Section 11190 of the Penal Code), in accordance with the provisions of Section 26749 of the Government Code		220,000
provided, that claims made against this item of		

Item		Amount
	appropriation shall be filed by the local jurisdictions within six months after the end of the month in which such transportation costs were incurred; and provided further, that expenditures made under this item shall be charged to the fiscal year in which the warrant is issued by the State Controller.	
271—For expenses of transporting fugitives from justice from outside the state, in accordance with the provisions of Sections 1389, 1549 and 1557 of the Penal Code ..... provided, that expenditures made under this item shall be charged to the fiscal year in which the warrant is issued by the State Controller, and any restitution received by the state for such expenses be credited to the appropriation of the year in which the State Controller's receipt is issued.		770,000
272—For court costs and county charges, payable under Sections 4700 and 4700.5 of the Penal Code, in connection with coroners' services and trials of inmates charged with commission of a crime or crimes while incarcerated in a state institution or prison under the Department of Corrections, Department of Corrections ..... provided, that claims filed payable under Section 6005 of the Penal Code may be paid by the Department of Corrections from funds appropriated by this item.		1,626,934
	Provided further, that claims made against this item of appropriation shall be filed by the local jurisdictions within six months after the end of the month in which such court costs and county charges were incurred; and provided further, that expenditures made under this item shall be charged to the fiscal year in which the warrant is issued by the State Controller.	
273—For reimbursement to counties for the cost of detaining state parolees pursuant to Section 4016.5 of the Penal Code, Department of Corrections..... provided, that expenditures made under this item shall be charged to the fiscal year in which the warrant is issued by the State Controller.		616,000
274—For support of Department of the Youth Authority..... Schedule:		97,312,486
(a) I. Community services.....	3,738,149	
(b) II. Rehabilitation services.....	95,961,540	
(c) III. Research.....	1,777,062	

Item		Amount
	(d) IV. Youth Authority Board..... 1,492,423	
	(e) V. Administration undistributed.. 5,429,209	
	(f) Reimbursements.....—10,046,401	
	(g) Federal funds.....—1,039,496	
	provided, that upon executive order of the Department of Finance, any portion of this item which reflects savings due to reduction of population may be transferred to and in augmentation of Item 280, Budget Act of 1977.	
274.5	—For administrative costs of the Department of the Youth Authority, for programs authorized by Article 5.5 (commencing with Section 1790) of Chapter 1 of Division 2.5 of the Welfare and Institutions Code, Department of the Youth Authority	35,000
274.6	—For contracting with public or private agencies engaged in crime and delinquency prevention, as authorized by Article 5.5 (commencing with Sectin 1790) of Chapter 1 of Division 2.5 of the Welfare and Institutions Code, Department of the Youth Authority	834,861
275	—For transportation of persons committed to Department of the Youth Authority to or between its facilities, including the return of parole violators; provided, that expenditures made under this item shall be charged to the fiscal year in which the warrant is issued by the State Controller	43,540
276	—For reimbursements to counties for maintenance of juvenile homes, ranches and camps, Department of the Youth Authority, to be expended in accordance with the provisions of Sections 880 to 890, inclusive, of the Welfare and Institutions Code	3,825,840
277	—For reimbursements to counties for construction of juvenile homes, ranches and camps, Department of the Youth Authority, to be expended in accordance with Section 891 of the Welfare and Institutions Code	400,000
	Notwithstanding other provisions of this section, the amount made available by this item shall be available for expenditure until June 30, 1979.	
278	—For county delinquency prevention commissions, Department of the Youth Authority, to be allocated by the Director of the Youth Authority, in accordance with Section 1792.1 of the Welfare and Institutions Code	33,300
279	—For county delinquency prevention commissions and research and training grants, Department of the Youth Authority	200,000

Item		Amount
	provided, that expenditures allocated in accordance with Section 1792 of the Welfare and Institutions Code are contingent upon receipt of federal, local, or private agency funds to initiate the programs in an amount equal to, or greater than, allocations from this appropriation; provided further, that grants for research and training in delinquency and crime prevention shall be allocated in accordance with Section 1752.6 of the Welfare and Institutions Code.	
280—For assistance to counties in their operation of special probation supervision programs, in accordance with Article 7 (commencing with Section 1820) of Chapter 1 of Division 2.5 of the Welfare and Institutions Code, Department of the Youth Authority		18,387,000
	provided, that the amount payable to any county shall be limited to the amount of its entitlement which would be calculated on the basis of the reduced commitment rate achieved during the 1976–77 fiscal year.	
	Provided further, that upon executive order of the Department of Finance, any portion of this item which is in excess of the actual reimbursement to the counties in the 1977–78 fiscal year may be transferred to and in augmentation of Items 267 and 274 to provide for unbudgeted population increase. Moneys appropriated by this item shall be available to reimburse counties for their expenditures for the cost of new or expanded special probation supervision programs established above the level of effort in probation supervision maintained by these counties during the 1965–66 fiscal year. Expenditures made under this item to reimburse counties for their cost of special probation supervision programs shall be charged to the year the warrant is issued by the State Controller.	
282—For support of California Health Facilities Commission payable from the California Health Facilities Commission Fund, in accordance with the provisions of Part 1.7 (commencing with Section 440) of Division 1 of the Health and Safety Code.		1,171,922

EDUCATION

Education—K–12

283—For transfer by the State Controller from the

Item		Amount
	General Fund to Section A of the State School Fund, in lieu of the appropriation made by Section 16130 of the Government Code, for the purposes of the Early Childhood Education Program	113,297,000
	Schedule:	
	(a) Total program 114,572,188	
	(b) Less administration (shown in Item 300) .....—1,275,188	
	provided, that this amount shall be apportioned in accordance with the provisions of Chapter 6 (commencing with Section 52000) of Part 28 of Division 4 of Title 2 of the Education Code, except that the Controller shall schedule payment of the certified allowances according to the provisions of paragraph (5) of subdivision (a) of Section 14041 of the Education Code.	
	Provided further, that the amount specified in subdivisions (b) and (c) of Section 52013 of the Education Code shall be raised to one hundred forty-eight dollars ($148) and the amount specified in subdivisions (b) and (c) of Section 52014 of the Education Code shall be raised to seventy-four dollars ($74).	
	Provided further, that the Department of Education shall not adversely evaluate Early Childhood Education Program schools which retain Miller-Unruh specialists with regard to the 1-to-10 adult-student guideline, and shall so notify districts prior to allocation of this appropriation.	
	Provided, further, that in apportioning expansion allowances pursuant to this item, the Department of Education shall, in addition to the quality criteria developed pursuant to the Early Childhood Education Program, rank districts by assessed valuation per pupil and by concentration of disadvantaged pupils. In conjunction with use of the district's quality program rating, first priority shall go to schools with high concentrations or large numbers of disadvantaged students in awarding early childhood education expansion funds. Districts with high assessed valuation per pupil and relatively few educationally disadvantaged pupils shall receive a lesser priority in the expansion allowance process.	

Item		Amount
283.1	—To the Department of Education, for a contract with the University of California for continued independent evaluation of the Early Childhood Education Program..... The evaluation shall build on the independent study of the program recently completed by the University of California, Los Angeles. It shall concern the 1976–77 school year and shall describe the performance of third- and fourth-grade students in reading and mathematics and the results of teacher and administrator questionnaires dealing with classroom and school processes. The evaluation report shall be submitted to the Legislature not later than November 30, 1977. The contractor shall be responsible for developing an accessible data base composed of the measures used in the study.	26,000
283.3	—To the Department of Education, for allocation to school districts whose allowances, as specified in Section 52013 of the Education Code, are reduced in the 1977–78 school year pursuant to Section 52015 of the Education Code..... provided, that allocations of funds appropriated in this item shall be made in direct replacement of such reductions; and provided, further, that, if funds are not sufficient to provide dollar-for-dollar replacement, the department shall prorate the allocations accordingly.	6,039,000
284	—To the Department of Education for environmental education, payable from the California Environmental Protection Program Fund ..... provided, that notwithstanding the provisions of Section 39102 of the Health and Safety Code, such funds shall be expended pursuant to the provisions of Chapter 4 (commencing with Section 8700) of Part 6 of Division 1 of Title 1 of the Education Code.	312,000
285	—For transfer by the State Controller from the General Fund to Section A of the State School Fund, in lieu of the appropriation made by Section 16130 of the Government Code, for the purposes of the Educationally Disadvantaged Youth Program..... Schedule: (a) Total program .....104,824,948 (b) Less administration (shown in Item 301) ..... −954,716 This amount shall be apportioned in accordance with the provisions of Chapter 1 (commencing	103,870,232

Item	Amount
with Section 54000) of Part 29 of Division 4 of Title 2 of the Education Code, except that the Controller shall schedule payment of the allowances under this chapter according to the provisions of paragraph (5) of subdivision (a) of Section 14041 of the Education Code. Provided, further, that prior to allocation of funds from this item for the 1977–78 fiscal year, the Department of Education shall compute school district entitlements for the 1978–79 fiscal year, utilizing the most recently available data, and shall notify school districts of their projected grants for the 1978–79 fiscal year. Provided, further, that the State Board of Education shall revise regulations relating to the Educationally Disadvantaged Youth Program in order to ensure that programs are not placed in elementary schools with below-average levels of need when secondary schools with above-average levels of need in the same district remain unserved.	
286—To Department of Education for the following two compensatory education programs: (1) demonstration programs in reading and mathematics, and (2) the professional development center program as specified in Article 10 (commencing with Section 44630) of Chapter 3 of Part 25 of Division 3 of Title 2 of the Education Code.....	3,917,000
Schedule: (a) Demonstration programs in reading and mathematics ..... 3,228,000 (b) Professional development centers 689,000 provided, that the Department of Education, in utilizing the funds appropriated by this item, shall support the programs in the 1977–78 fiscal year in 12 school districts and shall include as criteria for participation, a district's efforts to establish a multidistrict project and to obtain and use matching funds from local, state, or federal sources.	
287—To Department of Education for special elementary school reading instruction program teachers provided, that the maximum state subsidy to a Miller-Unruh teacher shall be no greater than 75 percent of the statewide average elementary teacher salary, as specified in Section 54166 of the Education Code.	14,680,625
288—For transfer by the State Controller from the General Fund to Section A of the State School Fund for the purposes of the Master Plan for Special	

Item		Amount
	Education Pilot Program, pursuant to provisions of Chapter 2 (commencing with Section 56300) of Part 30 of Division 4 of Title 2 of the Education Code	58,663,850
	Schedule:	
	(a) Total program 59,127,894	
	(b) Less administration (shown in Item 300) ..... −464,044	
	provided the evaluation of the 1976–77 Master Plan for Special Education Pilot Program shall include information for each responsible local agency and compares responsible local agencies concerning all of the following:	
	(a) The identification, assessment, and instructional placement of children by the handicapping condition designation, as specified in subdivision (g) of Section 56302 of the Education Code, to determine the extent of variation among responsible local agencies.	
	(b) The relationship between the types of instructional and support services, as prescribed in Section 56332 of the Education Code, provided to students served under the master plan and the total and per pupil master plan program expenditures to determine the extent of expenditure pattern variation among responsible local agencies.	
	(c) The state, local, and federal share of master plan program funding.	
	(d) The movement of children into less restrictive program placements by handicapping condition designation, as specified in subdivision (g) of Section 56302 of the Education Code, to determine the extent of variation in such movement among responsible local agencies.	
	Provided, further, that to the extent that data are available, information shall also be provided on the extent and nature of preparation of nonspecial education pupils for the integration of special education pupils into their classes.	
	Provided, further, that evaluation of the 1976–77 Master Plan for Special Education Pilot Program should also include a clearly separate and distinct section giving program judgments by the Department of Education as to possible major causes of the variations identified in (a) through (d) above. A description of the procedure used to collect and analyze data shall be presented in an appendix of the report.	

Item	Amount
Provided, further, that to the extent that data are available, comparisons between master plan and non-master-plan areas on items (a) through (d) above shall be made. These requirements are meant to provide further amplification of the evaluation requirements contained in Article 4 (commencing with Section 56350) of Chapter 2 of Part 30 of Division 4 of Title 2 of the Education Code. Evaluation results should be presented for more than one year when appropriate.	
289—To the Department of Education to reimburse school districts and county superintendents of schools for the costs of providing occupational training of physically handicapped and mentally retarded pupils pursuant to Section 56072 of the Education Code ..... provided, that the State Controller shall allow reimbursements of up to 6 percent above the amount reimbursable pursuant to Section 56072 of the Education Code.	180,000
290—To the Department of Education for apportionment to school districts and other eligible agencies maintaining development centers for handicapped pupils pursuant to Chapter 6 (commencing with Section 56800) of Part 30 of Division 4 of Title 2 of the Education Code ..... Schedule: (a) Total program ..... 15,596,400 (b) Federal funds ..... —1,073,000 provided, that, notwithstanding any other provisions of law, the Superintendent of Public Instruction may allocate funds from the appropriation made by this item to school districts or county superintendents of schools in order to increase the reimbursement per child-hour allowed pursuant to Section 56810 of the Education Code from $1.75 to $2 to meet cost increases due to inflation and increase the maximum reimbursement for transportation allowed pursuant to Section 56830 of the Education Code from $675 to $715 to meet cost increases due to inflation.	14,523,400
291—To Department of Education, for support of regional adult and vocational education councils, pursuant to the provisions of Article 2 (commencing with Section 8020) of Part 6 of Division 1 of Title 1 of the Education Code ..... Schedule: (a) Total program 1,583,269	1,325,000

Item			Amount
	(b) Less administration (shown in Item 300)		−258,269
	provided, that not more than thirty-five thousand dollars ($35,000) may be allocated by the department to any one council.		
292	—To the Department of Education for child development programs for apportionment to school districts and other eligible agencies maintaining children's centers and child care programs pursuant to Chapter 2 (commencing with Section 8200) and Chapter 2.5 (commencing with Section 8400) of Part 6 of Division 1 of Title 1 of the Education Code		66,706,230
	Schedule:		
	(a) Child care programs	54,081,230	
	Subschedule:		
	(1) Child care programs	92,592,856	
	(A) General child care administration	2,250,964	
	(B) Migrant day care administration	143,960	
	(C) Subventions		
	(1) Children's centers	70,192,973	
	(2) School districts and county superintendents	(52,836,600)	
	(3) Private community-based programs	(17,356,373)	
	(4) Campus children's centers	2,214,377	
	(5) County child care services	4,356,000	
	(6) High-school-age parents	2,369,193	
	(7) Migrant day care	2,996,000	
	(8) Cost-of-living increase	4,769,420	
	(9) Special allowances for rent and handicapped children	799,969	
	(10) Vouchers	1,000,000	
	(11) Resource and referral	500,000	

Item		Amount
	(12) Unscheduled child development program expansion 1,000,000	
	(2) Reimbursements .—38,054,626	
	(A) General child care administration.....—1,054,178	
	(B) Subventions ..... .—37,000,448	
	(3) Federal funds—migrant day care .. —457,000	
(b)	Alternative child care program....	12,625,000
	Subschedule:	
	(1) Total program 12,941,024	
	(2) Less administration (shown in Item 300) ..... —316,024	

provided, that notwithstanding any other provision of law, the Department of Education may transfer funds among the categories within Subschedule (1) of category (a) not sooner than 30 days after notification in writing of the necessity therefore to the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee.

Provided further, that program regulations developed during the 1976–77 fiscal year for child care agencies that receive state funding shall only be applied to those agencies found by the Department of Education to be able to accommodate additional children; provided further, that the Department of Education shall survey all child development agencies for the purpose of applying the regulations referred to in this paragraph, and shall apply such regulations to all agencies found to be capable of serving additional children without reducing staff, to the extent possible.

Provided further, that notwithstanding any other provision of law, the maximum reimbursement levels for child-hour costs within a child development program, allowed pursuant to Section 8404 of the Education Code, shall be increased for the 1977–78 fiscal year to $1.21 for children age two and over, and $1.43 for children under two years of age.

Provided, further, that of the amount scheduled in category (b), an amount not to exceed $2,285,-377 shall be allocated for annualization of program

Item		Amount
	services initiated in the 1976–77 fiscal year, and an amount not to exceed $714,623 shall be allocated for cost-of-living increases. Provided further, that notwithstanding any other provision of law, that reimbursement by the Department of Education for special rent allowances to private contractors who deliver child care services shall be made to an agency promptly upon the proper submission of all required documents by such agency Provided further, that funds scheduled in category (a) above, for county child care services shall be subject to the provisions of Section 19.7 of this act. Provided further, that the Department of Finance may, by executive order, transfer funds scheduled in category (a) above, for, and in augmentation of, the amount scheduled in category (a) of Item 252 of this act, for purposes of meeting the state matching fund requirements for child care services provided for under Public Law 90-248 and Public Law 93-647, provided further, that all such state matching funds for the children's centers and child care programs and all federal Title XX funds made available for child care services shall be expended in meeting Public Law 90-248 and Public Law 93-647 requirements and in expending needed services in children's centers and child care programs. Provided, further, that notwithstanding any other provisions of law, the maximum reimbursement levels for child-hour costs within a child development program, allowed pursuant to Section 8380 of the Education Code, shall be increased for the 1977–78 fiscal year to $1.28 for children age two and over, and $1.53 for children under two years of age.	
292.1	—To Department of Education for child development programs for apportionment to school districts and other eligible agencies maintaining preschool programs pursuant to Chapter 2 (commencing with Section 8200) of Part 6 of Division 1 of Title 1 of the Education Code.....	24,542,044
292.2	—To Department of Education for partial support of the Santa Clara Pilot Child Care Project...	1,527,907
	Schedule:	
	(a) Total program	1,677,907

Item		Amount
	(b) Less administration (shown in Item 300) ..... —150,000	
	provided, that the Department of Education shall use $50,000 specified in (b) above for continued evaluation of the Pilot Project with particular emphasis on (1) statewide policy implications, and (2) requirements for planning additional voucher systems; provided further, that funds appropriated by this item may only be used to continue child care support for parents and children who participated during the 1976–77 fiscal year.	
293	—To Department of Education for Indian Education Centers, provided that the appropriation made by this item is limited to carrying out the provisions of Article 6 (commencing with Section 33380) of Chapter 3 of Part 20 of Division 2 of Title 2 of the Education Code	636,000
	Schedule:	
	(a) Total program 716,082	
	(b) Less administration (shown in Item 300) ..... —80,082	
294	—To Department of Education for Bilingual Education programs pursuant to Article 1 (commencing with Section 52100) and Article 3 (commencing with Section 52160) of Chapter 7 of Part 28 of Division 4 of Title 2 of the Education Code	8,628,808
	Schedule:	
	(a) Total program 9,040,044	
	(b) Less administration (shown in Item 300) ..... —411,236	
	provided, that no funds appropriated by this item shall be expended for those monolingual English-speaking students whose enrollment in a bilingual class would result in there being more than 40 percent monolingual English-speaking students in the class; provided further, that funds appropriated by this item shall not supplant any other state or federal funds received at the school site level which may be used to meet the instructional needs of limited- and non-English-speaking students.	
295	—To Department of Education for instructional television programs, to be expended in accordance with the provisions of Section 41920 of the Education Code	821,364
	Schedule:	
	(a) Total program 840,373	

Item		Amount
	(b) Less administration (shown in Item 300)	−19,009
296—To Department of Education for transfer to the State Child Nutrition Fund pursuant to Section 41312 of the Education Code for child nutrition programs pursuant to the provisions of Section 41311 and clause (3) of subdivision (a) of Section 41312 of the Education Code		38,994,665
Schedule:		
	(a) Total program	39,808,386
	(b) Less administration (shown in Item 301)	−813,721
provided, that claims for reimbursement of meals pursuant to this item shall be submitted by school districts not later than September 30, 1978, to be eligible for reimbursement.		
297—For transfer by the State Controller from the General Fund to Section A of the State School Fund for the support of regional occupational centers and programs pursuant to Section 71 of Chapter 323 of the Statutes of 1976		2,000,000
298—To the Department of Education for assistance to public libraries, to be apportioned by the Division of Libraries as provided in Chapter 4 (commencing with Section 18700) of Part 11 of Division 1 of Title 1 of the Education Code		1,000,000
299—For reimbursement, in accordance with subdivision (a) of Section 2231 of the Revenue and Taxation Code, of the costs, which relate to educational programs, of any new program or increased level of service of an existing program mandated by statute, State Controller		32,500
provided, that allocations to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute that mandates the reimbursement of such costs and of subdivision (d) of Section 2231 of the Revenue and Taxation Code.		
300—For support of Department of Education, Superintendent of Public Instruction and State Board of Education		15,506,688
Schedule:		
	(a) Personal services	33,418,749
	(b) Operating expenses and equipment	25,373,888
	(c) Consolidated data center	327,076
	(d) Education Commission of the States	35,000

Item		Amount
	(e) Special projects 273,479	
	(f) Reimbursements ..... —3,239,878	
	(g) Federal funds ..... —25,029,228	
	(h) Amounts payable from other support appropriations ..... —12,587,028	
	(i) Amounts payable from local assistance appropriations ..... —3,065,370	
	provided, that the funds appropriated in subitem (c) may be allocated by the Department of Education to subitems (a) and (b) above and expended therefrom for electronic data processing; provided further, that the Director of Finance, may transfer the unencumbered balance of subitem (c) to the Stephen P. Teale Consolidated Data Center, Item 172 of this act.	
300.1	—For transfer by the State Controller from the General Fund to Section A of the State School Fund, in augmentation of funds provided for programs pursuant to subdivision (e) of Section 41301 of the Education Code, for the sole purpose of preventing the removal of pupils enrolled in 1976–77 in programs for mentally gifted minors conducted pursuant to Section 52202 of the Education Code	1,062,500
300.2	—To the Department of Education, subject to allocation by executive order by the Director of Finance, for the purpose of administering the California High School Proficiency Examination	211,348
	provided, that funds appropriated in this item may be allocated by the Director of Finance only when the Superintendent of Public Instruction certifies that application fees are insufficient to support the administration of this program and only in such amount as is necessary to make up the deficiency in fees received.	
300.3	—To the Department of Education, for distribution of printed information regarding the California High School Proficiency Examination Program	15,000
301	—To the Department of Education, in lieu of the appropriations made by subdivision (c) of Section 16130 of the Government Code; and the provisions of Section 54005, subdivision (b) of Section 41312, and Section 41353 of the Education Code	1,768,437
	Schedule:	
	(a) For the administration of the educationally disadvantaged youth program 954,716	

Item		Amount
	(b) For state administrative expenses related to the Child Nutrition Program and nutrition education projects	813,721
302—To the Department of Education for the purposes of developing a driver training course and training the instructional personnel to conduct the course according to provisions of Section 40070 of the Education Code, the sum of sixty-eight thousand five hundred forty-four dollars ($68,544) is appropriated from the Driver Training Penalty Assessment Fund to the General Fund		68,544
303—For support of Department of Education, the sum of $349,927 is appropriated from the State School Building Aid Fund		(349,927)
304—For support of the State Educational Agency for Surplus Property, the sum of $4,916,820 is appropriated from the Surplus Educational Property Revolving Fund		(4,916,820)
305—For support of special schools, Department of Education		16,048,119
and in addition, any amounts received from federal grants or other sources shall be available for expenditure in accordance with the provisions of this item.		
Schedule:		
(a) California School for the Blind		2,044,190
(1) Support	2,548,767	
(2) Reimbursements	−504,577	
(b) Diagnostic School for Neurologically Handicapped Children, Northern California		1,321,628
(1) Support	1,411,486	
(2) Reimbursements	−89,858	
(c) Diagnostic School for Neurologically Handicapped Children, Southern California		1,347,832
(1) Support	1,611,631	
(2) Reimbursements	−263,799	
(d) California School for the Deaf, Berkeley		4,253,950
(1) Support	5,597,694	
(2) Reimbursements	−1,343,744	
(e) California School for the Deaf, Riverside		5,872,251
(1) Support	6,562,854	
(2) Reimbursements	−690,603	

Item		Amount
(f) Diagnostic School for Neurologically Handicapped Children, Central California	1,208,268	
(1) Support	1,279,740	
(2) Reimbursements	−71,472	
provided, that transfers between items in the above schedule may not be made without the approval of the Department of Finance.		
306—For support of Division of Libraries, Department of Education and Board of Library Examiners.		3,993,781
307—For support of the California Advisory Council on Vocational Education and Technical Training		55,587
Schedule:		
(a) Personal services	138,017	
(b) Operating expenses and equipment	121,675	
(c) Federal funds	−204,105	
308—For transfer by State Controller to the Teachers Retirement Fund for State Teachers' Retirement System		144,300,000
309—For support of Commission for Teacher Preparation and Licensing, payable from the Teacher Credentials Fund		2,805,867
Schedule:		
(a) Personal services	1,973,500	
(b) Operating expenses and equipment	1,574,999	
(c) Federal funds	−742,632	

Higher Education

310—For support of California Postsecondary Education Commission		1,441,890
Schedule:		
(a) Personal services	1,157,643	
(b) Operating expenses and equipment	1,190,210	
(c) Federal funds	−905,963	
311—For support of University of California, exempt from Section 31 of this act		692,857,956
provided, that none of the funds appropriated by this item may be expended to initiate major capital outlay projects, either by contract or lease-purchase agreement, without prior legislative approval.		
Provided further, that none of the funds appropriated by this item may be expended for any new medium- or large-scale computers which exceed		

Item		Amount
	100,000 positions of primary core memory until a special task force report (as recommended in the Supplementary Report of the Committee on Conference on the Budget Act of 1976) is submitted to the Joint Legislative Budget Committee and the Chairpersons of the Senate Finance and Assembly Ways and Means Committees, or not sooner than 30 days after written notification therefor is given to the Chairpersons of the Senate Finance and Assembly Ways and Means Committees. Provided, further, that no expenditure may be made from the $483,500 appropriated by this item for development of management information systems unless it is matched by the university with an equal contribution from funds not appropriated by this act. Provided further, that $1,916,700 of this appropriation for the Student Affirmative Action Program is available only on the condition that the university provides a contribution of $1,568,300 for the program from funds not appropriated in this act. Provided, further, that the reporting requirement on enrollment plans and admission priorities required pursuant to Section 66204 of the Education Code shall be inoperative for 1977–78. Provided, further, that $290,000 of this appropriation shall be used to provide support over the 1976–77 combined General Fund and Regents Fund support of the Undergraduate Teaching Excellence Program.	
311.1	—For support of University of California, human sexuality program at University of California, San Francisco Medical Center, exempt from Section 31 of this act	100,000
311.2	—For support of a universitywide Institute of Appropriate Technology, University of California, exempt from Section 31 of this act..... provided, that among its functions, the institute shall provide grants for research regarding appropriate technology to faculty and students of the university and shall act as an information clearinghouse linking university personnel, private citizens, and state agencies to those who are interested in learning more about research regarding appropriate technology and policy options; and provided, further, that a report containing the following information shall be sub-	190,000

Item	Amount
mitted to the Department of Finance and the Joint Legislative Budget Committee by February 1, 1978: (a) The specific objectives which the institute seeks to advance. (b) The activities engaged in by the institute during the 1977–78 fiscal year. (c) A detailed budget for the 1977–78 fiscal year for the institute, from all sources, and a proposed budget for the 1978–79 fiscal year. Provided, further, that the amount appropriated in this item shall be available for encumbrance until June 30, 1978. For the purposes of this item, "appropriate technology" means a technology which is less harmful to people and the environment than our present technologies, which reduces dependence on nonrenewable resources, which is economically and ecologically sound, and which offers small-scale, practical alternatives to our current level of resource consumption. Provided, further, that not more than $40,000 of the amount appropriated by this item shall be expended for administration, and $150,000 shall be for grants. At least 80 percent of the grants shall be for not more than $10,000.	
311.3—For cerebral hemispheric research at Langley-Porter Neuropsychiatric Institute, University of California, San Francisco Medical Center, exempt from Section 31 of this act ..... provided, that the amount appropriated in this item shall be reduced by the amount of federal or other funds received by the institute for this research for the 1977–78 fiscal year; and provided, further, that support from the General Fund for this research shall be available only for the 1977–78 fiscal year.	50,000
312—For support of University of California—State Data Program, exempt from Section 31 of this act	113,000
313—For financing undergraduate teaching excellence, University of California, exempt from Section 31 of this act	1,000,000
314—For the planning of a University of California medical education program in the Fresno-San Joaquin Valley Region, exempt from Section 31 of this act	79,000

Item	Amount
315—For the support of a University of California medical education program at its Berkeley Campus, exempt from Section 31 of this act	351,000
316—For support of a University of California biomedical education program at its Riverside Campus, exempt from Section 31 of this act	396,000
317—For financing research and development of aquaculture within controlled systems, in the sea and inland fresh waters of California to expand food production potential from aquatic species, University of California, exempt from Section 31 of this act	400,000
318—For support of University of California program of clinical health sciences education, research, and public service, conducted in conjunction with the Charles R. Drew Postgraduate Medical School, as provided for in Sections 1, 2 and 3 of Chapter 1140 of the Statutes of 1973, exempt from Section 31 of this act	1,986,000
319—For support of a program of basic and clinical health science education and primary health care delivery research in the field of podiatry, University of California, to be conducted in conjunction with the California College of Podiatric Medicine, as provided for in Sections 1 to 4, inclusive, of Chapter 1497, Statutes of 1974, exempt from Section 31 of this act	666,000
320—For support of the Institute of Transportation Studies, University of California, exempt from Section 31 of this act, payable from the Transportation Planning and Research Account, State Transportation Fund	310,000
321—For research in mosquito control, University of California, exempt from Section 31 of this act, payable from the California Water Fund	100,000
322—For replacement of instructional equipment, University of California, payable from the Capital Outlay Fund for Public Higher Education, exempt from Section 31 of this act	2,000,000
322.1—For deferred maintenance projects, University of California, exempt from Section 31 of this act provided, that no expenditures shall be made from funds appropriated in this item unless an equal contribution is made by the university from funds not appropriated in this act; provided further, that the money appropriated for expenditure by this item shall be available only if the total allocation for deferred maintenance in 1977–78	500,000

Item		Amount
	made by the university from funds not appropriated in this act is not less than the estimated 1976–77 expenditure level of $2,000,000.	
323—For support of Hastings College of Law		3,823,790
Schedule:		
(a) Personal services	3,925,816	
(b) Operating expenses and equipment	2,172,659	
(c) Reimbursements	−1,511,515	
(d) Federal funds	−763,170	
323.1—For support of Hastings College of Law, to be transferred to Item 323 upon order of the Department of Finance		72,000
provided, that funds appropriated in this item may be transferred to, and in augmentation of, Item 323 only if the Board of Directors of Hastings College of Law takes action to ensure that student fees will be maintained at their 1976–77 level.		
324—For support of Trustees of the California State University and Colleges and the California State University and Colleges		639,767,750
Schedule:		
(a) Personal services	621,137,521	
(b) Operating expenses and equipment	139,699,000	
(c) Economic opportunity grants	6,966,230	
(d) Reimbursements	−81,249,574	
(e) Federal funds	−46,785,427	
provided, that the funds appropriated in this item may be reallocated upon order of the Trustees of the California State University and Colleges subject to being reported to the Department of Finance; provided further, that no instructional faculty positions authorized for the 1977–78 fiscal year shall be used for administration, administrative assistance, department chairmanships, or noninstructional research; provided further, that in evaluating the impact and effectiveness of the Educational Opportunity Program, the trustees shall address the issues of maintenance of academic standards, persistence to graduation, and success in locating employment; provided further, that the Department of Finance and the Joint Legislative Budget Committee shall receive an annual expenditure report, for each of the 19 campus foundations and the chancellor's office foundation, which shall include (1) a statement of estimated and actual total direct expenditures and		

Item		Amount
	total indirect expenditures by major budget categories for each of the two years preceding the budget year and (2) a projection of total direct and indirect expenditures for the budget year; provided further, that the General Fund shall be reimbursed by the foundations for the estimated campus building footage used to support research projects funded by non-General Fund sources with the price per square foot to be based on the annual General Services rental rate; provided further, that no portion of the funds appropriated in this item for instructionally related activities may be expended for intercollegiate athletics; provided, further, that $1,045,157 of the amount appropriated in this item to accommodate the shifts in student demand between academic programs be used to establish new faculty positions which shall be assigned to campus impacted programs; provided further, that the reporting requirement on enrollment plans and admission priorities required pursuant to Section 66204 of the Education Code need not be complied with for the 1977–78 school year; provided further, that (1) Educational Opportunity Program (EOP) funds shall be used exclusively to assist EOP students, as defined in the Education Code and regulations adopted by the Trustees of the California State University and Colleges, and (2) all EOP funds, excluding grants, shall be allocated to campus EOP directors not later than December 1, 1977.	
325—For support of California Maritime Academy		2,113,035
Schedule:		
(a) Personal services	2,159,354	
(b) Operating expenses and equipment	1,443,811	
(c) Reimbursements	−984,578	
(d) Federal funds	−505,552	
326—For support of Board of Governors of the California Community Colleges		2,402,127
Schedule:		
(a) Personal services	2,971,752	
(b) Operating expenses and equipment	1,131,791	
(c) Reimbursements	−1,364,991	
(d) Amount payable from Community Colleges Credentials Fund....	−486,425	
(e) Unallocated	150,000	
provided, that the funds specified		

Item		Amount
	in category (e) shall be available for expenditure only when allocated to categories (a) and (b) by the Department of Finance; provided further, that no such allocation shall be made until the appointment of a Chancellor of the California Community Colleges, the submission of a plan of expenditure by the chancellor to the Department of Finance, and the approval of such plan by the Department of Finance	
327—For support of the credentials office of the Board of Governors of the California Community Colleges, payable from the Community Colleges Credential Fund ..... provided, that as of June 30, 1978, if the unencumbered balance of the Community Colleges Credentials Fund exceeds $50,000, the amount of such balance in excess of $50,000 shall revert to the unappropriated surplus of the General Fund.		486,425
328—For community college extended opportunity programs and services, Board of Governors of the California Community Colleges, conducted under the provisions of Article 8 (commencing with Section 69640) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code .. . . . . provided, that the Board of Governors shall allocate funds on a priority basis and only to local programs which have the greatest need for student financial aid and services and which demonstrate program effectiveness with 60 percent weight given to student need and 40 percent to effectiveness.		13,983,157
329—For support of Student Aid Commission .. .. Schedule:		2,777,267
(a) Personal services	1,668,911	
(b) Operating expenses and equipment	1,152,661	
(c) Amount payable from the State Guaranteed Loan Reserve Fund (Item 332)	—44,305	

Item		Amount
330—For awards in the Cal Grant Program under provisions of Article 4 (commencing with Section 69560), Article 5 (commencing with Section 69580), and Article 6 (commencing with Section 69600) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code, Student Aid Commission Schedule:		65,790,365
(a) Scholarships (Cal Grant (a))	53,354,532	
(b) College opportunity grants (Cal Grant (b))	18,939,350	
(c) Occupational education and training grants (Cal Grant (c))	3,115,902	
(d) Federal funds	−9,619,419	
provided, that upon order of the Director of Finance, the State Controller shall transfer such funds as are necessary between these subitems.		
331—For grant awards and graduate fellowship awards under provisions of Article 9 (commencing with Section 69670) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code, for awards under provisions of Sections 2193.75 through 2193.78 of the Business and Professions Code, and for scholarship awards under provisions of Section 4709 of the Labor Code, Student Aid Commission Schedule:		4,315,000
(a) Fellowships for graduate study	3,800,000	
(b) Clinical training program	500,000	
(c) Dependents of deceased or disabled peace officers program	15,000	
provided, that upon order of the Director of Finance, the State Controller shall transfer funds as are necessary between these subitems and between this item and Item 330.		
332—For support of Student Aid Commission, the sum of $44,305 is appropriated from the State Guaranteed Loan Reserve Fund for transfer to Item 329		(44,305)

GENERAL GOVERNMENT

General Administration

333—For support of the Political Reform Act of 1974 (Proposition 9), in addition to the funds provided pursuant to Section 83122 of the Government Code, the following sums are hereby appropriated to the following agencies and officers for the administration, investigation, and regulation of political campaigns, officials, and lobbyists:	2,744,004

Item		Amount
(a) Secretary of State, to be transferred by the State Controller to Item 52	402,570	
1 Total program	410,008	
2 Reimbursements	−7,438	
(b) Franchise Tax Board, to be transferred by the State Controller to Item 106	2,159,847	
provided, that of the amount appropriated by this item, $45,800 shall not be available for encumbrance if legislation is enacted prior to July 1, 1977, which makes discretionary, rather than mandatory, the audits conducted pursuant to subdivision (d) of Section 90001 of the Government Code of independent campaign committees which spend less than $5,000		
(c) Attorney General, to be transferred by the State Controller to Item 38	171,587	
(d) Fair Political Practices Commission, shall be transferred by the State Controller to and in augmentation of Government Code Section 83122	10,000	
(e) Fair Political Practices Commission, Government Code Section 83122	(1,306,603)	
Proposition 9 total	2,744,004	
334—For support of Agricultural Labor Relations Board Schedule.		8,157,000
(a) Personal services	5,637,500	
(b) Operating expenses and equipment	2,519,500	
334.5—For expenditure by the Agricultural Labor Relations Board for the sole purpose of repaying a loan made to the board during the 1975–76 fiscal year from the Emergency Fund (Item 96, Budget Act of 1975), the sum of $1,250,000 is hereby appropriated		(1,250,000)
335—For support of Educational Employment Relations Board		2,392,880
provided, that no expenditure shall be made from funds appropriated by this item for the purposes of Section 3548 or 3548.3 of the Government Code.		
336—For payment of expenses incurred by the Educational Employment Relations Board pursuant to Sections 3548 and 3548.3 of the Government Code,		

Item		Amount
	and for transfer, in augmentation of Item 335, for support of the Educational Employment Relations Board, by the State Controller ..... provided, that none of the funds appropriated by this item shall be transferred to Item 335 unless and until authorized in writing by the Director of Finance; provided further, that no such authorization may be given sooner than 30 days after the Director of Finance gives written notification to the Chairman of the Joint Legislative Budget Committee and the chairman of the committee of each house which considers appropriations, or not sooner than such lesser time as each chairman, or his designee, may in each instance determine; provided further, that not more than $500,000 of the amount appropriated by this item shall be available for purposes of Sections 3548 and 3548.3 of the Government Code.	750,000
337—For support of Department of Finance ..... Schedule:		9,542,172
	(a) Personal services 8,079,911	
	(b) Operating expenses and equipment 1,731,437	
	(c) Consolidated data center..... 169,828	
	(d) Reimbursements ..... −439,004	
	provided, that the funds appropriated in subitem (c) may be allocated by the Department of Finance to subitems (a) and (b) above and expended therefrom for electronic data processing; provided further, that the Director of Finance may transfer the unencumbered balance of subitem (c) to the Stephen P. Teale Consolidated Data Center, Item 172, Budget Act of 1977.	
337.5—To the Department of Finance for the acquisition of electronic data processing computing equipment ..... provided, that the $825,000 appropriated by this item shall be expended in order to take advantage of accrued rental credits toward purchase, only for the purchase, maintenance, and sales costs of the IBM 370/158 computing equipment installed currently at the Franchise Tax Board, and only if either (1) a sales agreement has been secured which is clearly to the financial advantage of the state, or (2) a feasibility study report, as specified in the State Administrative Manual, commencing with Section 4920, demonstrates, by June 30, 1977, a justified need for use of the equipment in the		825,000

Item		Amount
Stephen P. Teale Consolidated Data Center, and other equipment vendors are given the opportunity to compete in meeting this need; provided further, that any savings accruing to the Franchise Tax Board as a result of the state's purchase of this computing equipment shall be withheld from funds appropriated by Item 106 of this act for electronic data processing equipment rental, and shall revert to the General Fund.		
338—For support of Commission on California State Government Organization and Economy ..... provided, that no funds appropriated in this item shall be expended for contracting with private persons or groups for professional and technical services where such services are available through contract with state agencies.		140,655
339—For support of California Commission on Interstate Cooperation		81,595
340—For support of the Arts Council		3,396,430
Schedule:		
(a) Personal services	269,580	
(b) Operating expenses and equipment	192,450	
(c) Grants for programs and projects supporting the arts	3,149,400	
(d) Federal funds	−215,000	
340.1—For support of California Public Broadcasting Commission, to be transferred by the State Controller to the California Public Broadcasting Fund provided, that the salary of the executive secretary of the commission shall be set by the Department of Finance at $30,684.		794,581
341—For support of Commission for Economic Development		307,267
Schedule:		
(a) Personal services	157,012	
(b) Operating expenses and equipment	150,255	
342—For support of Military Department		7,334,458
Schedule:		
(a) Personal services	11,119,685	
(b) Operating expenses and equipment	6,136,451	
(c) Reimbursements	−119,200	
(d) Federal funds	−9,802,478	
provided, that no expenditures shall be made from this appropriation as a substitution for personnel, equipment, facilities, or other assistance,		

Item		Amount
or for any portion thereof, which in the absence of such expenditure, or of this appropriation, would be available to the Commanding General of the State Military Forces, the California National Guard or the California National Guard Reserve from the federal government.		
343—For payment of military retirements, in accordance with the provisions of Sections 228 and 256 of the Military and Veterans Code, Military Department		778,892
344—For support of California Cadet Corps		318,204
Schedule:		
(a) Personal services	124,065	
(b) Operating expenses and equipment	194,139	
345—For support of Public Utilities Commission		13,531,228
Schedule:		
(a) Personal services	19,201,733	
(b) Operating expenses and equipment	3,902,736	
(c) Consolidated data center	5,000	
(d) Reimbursements	−907,355	
(e) Federal funds	−22,372	
(f) Amount payable from the Transportation Rate Fund (Item 346)	−8,648,514	
provided, that the funds appropriated in subitem (c) may be allocated by the Public Utilities Commission to subitems (a) and (b) above and expended therefrom for electronic data processing; provided further, that the Director of Finance may transfer the unencumbered balance of subitem (c) to the Stephen P. Teale Consolidated Data Center, Item 172, of this act.		
346—For support of Public Utilities Commission, payable from the Transportation Rate Fund		8,648,514
347—For support of Commission on the Status of Women		281,120
Schedule:		
(a) Personal services	150,395	
(b) Operating expenses and equipment	149,461	
(c) Reimbursements	−18,736	
348—For support of Intergovernmental Board on Electronic Data Processing		115,306
provided, that in addition to the basic responsibilities assigned the board by law, the funds available to the board shall be used to the fullest extent possible to develop the best possible communica-		

Item			Amount
	tions between state and local governmental units in the development and implementation of coordinated data-processing systems to achieve the maximum amount of interchangeability between the various levels of government.		
349—For support of Native American Heritage Commission			82,437
350—For support of the Motion Picture Development Council			14,968
	Schedule:		
	(a) Personal services	40,570	
	(b) Operating expenses and equipment	34,398	
	(c) Reimbursements	−60,000	
351—For support of California Horse Racing Board, payable from the Fair and Exposition Fund			811,240
	Schedule:		
	(a) Personal services	540,344	
	(b) Operating expenses and equipment	320,896	
	(c) Amount payable pursuant to Section 19619(e) of the Business and Professions Code	−50,000	
352—For support of Board of Osteopathic Examiners of the State of California, payable from the Contingent Fund of the Board of Osteopathic Examiners			145,799
353—For support of Board of Chiropractic Examiners, payable from the State Board of Chiropractic Examiners' Fund			232,283
354—For support of Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun, payable from the Board of Pilot Commissioners' Special Fund			46,925
355—For support of the California Information Systems Implementation Committee			41,625
356—For support of Commission on Peace Officer Standards and Training, payable from the Peace Officers' Training Fund			2,340,057
	Schedule:		
	(a) Personal services	1,722,253	
	(b) Operating expenses and equipment	617,804	
357—For allocation to cities, counties, and cities and counties, pursuant to Section 13523 of the Penal Code, and for payment of contracts pursuant to Section 13503(c) of the Penal Code, Commission on Peace Officer Standards and Training, payable from the Peace Officers' Training Fund			11,152,392

Item		Amount
358—For support of the Office of Criminal Justice Planning		186,298
Schedule:		
(a) Personal services	869,067	
(b) Operating expenses and equipment	993,915	
(c) Federal funds	−1,676,684	
provided, that funds appropriated from the General Fund shall not be expended in excess of the minimum amount required to match federal grant expenditures for support of the Office of Criminal Justice Planning		
359—For allocation by executive order of the Department of Finance to the Office of Criminal Justice Planning, which agency will further allocate to the several state offices, departments, boards, bureaus, commissions, and other state agencies in augmentation of their respective appropriations for support or for other purposes chargeable to the General Fund in such amounts as will make sufficient money available for the state's matching fund contribution for prior year deobligated federal block grant funds		100,000
360—For allocation by executive order of the Department of Finance to the Office of Criminal Justice Planning, which agency will further allocate to the several state offices, departments, boards, bureaus, commissions and other state agencies in augmentation of their respective appropriations for support or for other purposes chargeable to the General Fund in such amounts as will make sufficient money available for the state's matching fund contribution for federal grants made by the Law Enforcement Assistance Administration		1,619,989
provided that, notwithstanding Section 2 of this act, of the amount appropriated in this item; $75,808 shall be available for expenditure until June 30, 1978; $382,651 shall be available for expenditure until June 30, 1979 and; $1,161,530 shall be available for expenditure until June 30, 1980.		
361—For the Office of Criminal Justice Planning for the state's matching fund contribution to secure federal grants, to be further allocated to local agencies for criminal justice programs		2,520,453

Item	Amount
provided that, notwithstanding Section 2 of this act, of the amount appropriated in this item; $218,-153 shall be available for expenditure until June 30, 1978; $764,939 shall be available for expenditure until June 30, 1979 and; $1,537,361 shall be available for expenditure until June 30, 1980.	
362—For support of the Office of the State Public Defender	4,448,916
363—For contribution to counties for providing legal assistance to indigents in accordance with Section 987.6 of the Penal Code	775,000
364—For reimbursement, in accordance with subdivision (a) of Section 2231 of the Revenue and Taxation Code, of the costs, which relate to guardianship and conservatorship proceedings, of any new program or increased level of service of an existing program mandated by statute, State Controller	3,600,000
provided, that allocations to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute that mandates the reimbursement of such costs and subdivision (d) of Section 2231 of the Revenue and Taxation Code.	
365—For payment to counties for cost of homicide trials pursuant to Sections 15201 to 15203, inclusive, of the Government Code, Department of Finance	100,000
365.1—For payment to San Bernardino County, pursuant to Section 4700.2 of the Penal Code, for costs of trial and related expenses arising from crimes committed in connection with an escape from the custody of the Department of Corrections in those cases for which indictments in connection with such trials were filed between November 6, 1972, and October 6, 1973, inclusive, Department of Finance	495,000

Item		Amount
366—For the administration, investigation, adjustment, defense and payment of tort liability claims, settlements, compromises and judgments against the state, its officers, servants and employees, for expenditure by the Department of Finance in its discretion in respect to, or for allocation by the Department of Finance in its discretion to, state agencies, departments, boards, bureaus or commissions supported from the General Fund; or for the purchase of insurance protecting the state, its officers, servants and employees against such tort liability claims, including the defense of such claims whether or not liability exists, Department of Finance		2,698,583
Schedule:		
(a) Attorney General services	1,388,583	
(b) Claim payments	350,000	
(c) Insurance premium	1,200,000	
(d) Reimbursements	−240,000	
and in addition thereto, there is hereby appropriated from each fund, other than the General Fund, an amount sufficient to pay the cost of administration, investigation, adjustment, defense, and payment of tort liability claims, settlements, compromises and judgments against the state or the state agency supported from such fund, arising from activities of such state agency, or for the purchase of insurance protecting the state, its officers, servants and employees of such state agency against tort liability claims and for the defense of such claims whether or not liability exists; provided, that no expenditures from any such appropriation from a fund other than the General Fund for payment of tort liability claims shall be made unless approved by the Department of Finance in its discretion; and provided further, that any funds appropriated herein may be expended for either, or any combination, of the purposes specified herein as may be approved by the Department of Finance.		
367—For the payment of claims, Attorney General and Board of Control services pursuant to Chapter 5 (commencing with Section 13959) of Part 4 of Division 3 of Title 2 of the Government Code, State Board of Control		7,941,663
Schedule:		
(a) Claims	7,102,845	
(b) Attorney General services	320,000	

Item		Amount
(c) Board of Control services	549,230	
(d) Amount payable from Indemnity Fund, Item 368	−30,412	
368—For transfer to Item 367 from the Indemnity Fund, pursuant to Section 13964 of the Government Code, State Board of Control		30,412

Tax Relief

369—For providing property tax assistance to homeowner claimants, in accordance with the provisions of the Senior Citizens Property Tax Assistance Law, Part 10.5 (commencing with Section 19501), of Division 2 of the Revenue and Taxation Code, Franchise Tax Board	78,000,000
370—For providing property tax assistance to renter claimants, in accordance with the provisions of the Senior Citizens Property Tax Assistance Law, Part 10.5 (commencing with Section 19501), of Division 2 of the Revenue and Taxation Code, Franchise Tax Board	20,000,000
371—For reimbursement to local taxing authorities for revenue lost by reason of the repeal or reduction of the property tax on the following classes of property affected by the following provisions of the Revenue and Taxation Code: (1) business inventories under Section 219; (2) motion pictures under Section 988; (3) livestock under Section 5523; and (4) wine and brandy under Section 992; State Controller	430,000,000
The appropriation made by this item shall be in lieu of the appropriation for the same purpose contained in Section 16100 of the Government Code.	
372—For reimbursement to local taxing authorities for revenue lost by reason of the homeowners' property tax exemption granted pursuant to Section 3k of Article XIII of the Constitution, State Controller	818,000,000
The appropriation made by this item shall be in lieu of the appropriation for the same purposes contained in Section 16100 of the Government Code.	
373—For providing reimbursement to local taxing authorities for revenue lost by reason of the assessment of open-space lands under Sections 423 and 423.5 of the Revenue and Taxation Code, and in accordance with the provisions of Chapter 3	

Item		Amount
	(commencing with Section 16140) of Part 1 of Division 4 of Title 2 of the Government Code, State Controller ..... The appropriation made by this item shall be in lieu of the appropriation for the same purpose contained in Section 16100 or 16140 of the Government Code, and may not be augmented.	21,000,000
374	—For reimbursement to local taxing authorities for revenue lost in accordance with the provisions of Sections 2229 and 2230 of the Revenue and Taxation Code, State Controller.....	5,686,500
375	—For transfer, as needed, to the Personal Income Tax Fund by the State Controller for the purpose of providing credits and refunds to renters as required by Section 17053.5 of the Revenue and Taxation Code, Franchise Tax Board ..... provided, that the appropriation from the General Fund made by this item shall be in lieu of any appropriation for refunds to qualified renters from the Personal Income Tax Fund pursuant to Section 32 of Chapter 1406, Statutes of 1972.	125,000,000
	Federal Revenue Sharing	
376	—For transfer by the State Controller, the sum of $215,000,000 is hereby appropriated from the Federal Revenue Sharing Fund to the General Fund and from the General Fund to Sections A and B of the State School Fund. Such transfers shall be made by the State Controller during the months of July and August, 1977	(215,000,000)
	Miscellaneous	
377	—For the state's contribution for the cost of a health benefits plan, for annuitants and other employees, in accordance with Sections 22828 and 22829 of the Government Code, which is not chargeable to any other appropriation.....	18,410,319
378	—For refunding of payments of taxes, licenses, fees and other receipts which have been erroneously collected and deposited in the General Fund for the refund of which no other provision is made by law, for refunding of amounts withheld and deposited in a fund in the State Treasury to any person who is determined to be liable to a taxpayer by reason of withholding and transmitting payments of taxes, interest, and	

Item	Amount
penalties for the refund of which no other provision is made by law, and for payment of prior judgments, liens or encumbrances pursuant to Section 12516 of the Government Code ..... provided, that expenditures made under this item shall be charged to the year in which the warrant is issued by the State Controller.	30,000

Unallocated

378.5—For allocation by executive order of the Department of Finance to the several state agencies, in augmentation of their respective appropriations for drought mitigation activities and to compensate the Fish and Game Preservation Fund for loss of license fee revenues as a result of the drought .. .. provided, that the appropriation made by this item shall be reduced by an amount equal to the amount of any federal funds received for purposes of assisting the state's drought mitigation efforts; provided further, that any allocation made pursuant to this item shall be upon such terms and conditions as may be prescribed by the Department of Finance; provided further, that the Department of Finance shall notify the Chairman of the Joint Legislative Budget Committee of each allocation made pursuant to this item.	2,527,000
379—For Salary Increase Fund, to be allocated by the Department of Finance to the several state offices, departments, boards, bureaus, commissions, and other state agencies, in augmentation of their respective appropriations for support or for other purposes, in such amounts:	
(a) As will make sufficient money available to be paid each state officer or employee in the state service, exclusive of personnel in the University of California and in the California State University and Colleges, whose compensation, or portion thereof, is chargeable to the General Fund, the increase in compensation provided in any increased salary range or rate established on or after July 1, 1977, by the State Personnel Board, the Department of Finance, the Judicial Council of California, the Directors of Hastings College of Law, as the case may be.	
(b) With respect to state officers who salaries are specified by statute, an amount sufficient to	

Item		Amount
	augment by 10.1 percent the amount of salaries authorized by the Budget Act of 1976 for such officers, during the 1977–78 fiscal year, pursuant to Section 11569 of the Government Code	106,656,000
	Provided, that increases in compensation provided by this item for increased salary ranges for positions established for the 1977–78 fiscal year shall not result in total annual salary increases of more than $106,656,000. Before any increased salary range or rate established for any position for the 1977–78 fiscal year shall become effective, a certification shall be obtained from the Director of Finance that sufficient money is available in funds authorized for the agencies or may be made available from the appropriation in this item, to meet the cost of such increases.	
	Provided further, that salaries of senior civil service technical, professional, and managerial classes shall be adjusted in a manner which provides for adequate differentials, as determined by the State Personnel Board, above salaries of related subordinate classes.	
379.1	—For Salary Increase Fund, to be allocated by the Department of Finance to the Regents of the University of California, in augmentation of its appropriation for support or for other purposes, in such amounts as will defray the cost, including staff benefits, of increases in compensation for faculty and faculty-related positions provided in any increased salary range or rate established on or after July 1, 1977, for the 1977–78 fiscal year by the Regents of the University of California, exempt from Section 31 of this act	20,670,000
	provided, that increases in compensation provided by increased salary ranges for positions established for the 1977–78 fiscal year shall not result in total annual salary increases of more than $20,670,000; provided, further, that no funds appropriated in this item or in any other item of this act may be used to adjust the effect of salary increases for the 1976–77 fiscal year; and provided, further, that $4,770,000 of the funds appropriated in this item shall be used to pay an equal, flat-dollar-amount salary increase to all faculty and faculty-related positions. Before the Regents of the University of California establish any increased salary range or rate for the 1977–78 fiscal year, a certification shall be obtained from the Department of	

Item	Amount
Finance that sufficient money either is available in funds authorized for the University of California or may be made available from the appropriation in this item to meet the cost of such increases.	
379.2—For Salary Increase Fund, to be allocated by the Department of Finance to the Regents of the University of California, in augmentation of its appropriation for support or for other purposes, in such amounts as will defray the cost, including staff benefits, of increases in compensation for nonfaculty positions provided in any increased salary range or rate established on or after July 1, 1977, for the 1977–78 fiscal year by the Regents of the University of California, exempt from Section 31 of this act.....	27,068,000
provided, that increases in compensation provided by increased salary ranges for positions established for the 1977–78 fiscal year shall not result in total annual salary increases of more than $27,068,000; provided, further, that no funds appropriated in this item or in any other item of this act may be used to adjust the effect of salary increases for the 1976–77 fiscal year; and provided, further, that no funds appropriated in this item or in any other item of this act may be used to pay to executive management positions, including the president, the vice president, and the chancellors and their principal deputies (vice chancellors), in the aggregate, an average salary increase in the 1977–78 fiscal year greater than 5 percent, excluding from the computation thereof any equal flat-dollar-amount salary increase granted by the regents from the appropriation made in this item, which equal, flat-dollar-amount salary increase may not, however, exceed the equal, flat-dollar-amount salary increase provided in Item 379.1. Before the Regents of the University of California establish any increased salary range or rate for the 1977–78 fiscal year, a certification shall be obtained from the Department of Finance that sufficient money either is available in funds authorized for the University of California or may be made available from the appropriation in this item to meet the cost of such increases.	
379.3—For Salary Increase Fund, to be allocated by the Department of Finance to the Trustees of the California State University and Colleges, in augmentation of its appropriation for support or for other	

Item		Amount
	purposes, in such amounts as will defray the cost, including staff benefits, of increases in compensation for academic and academic-related positions provided in any increased salary range or rate established on or after July 1, 1977, for the 1977–78 fiscal year by the Trustees of the California State University and Colleges ..... provided, that increases in compensation provided by this item for increased salary ranges for positions established for the 1977–78 fiscal year shall not result in total annual salary increases of more than $24,635,000; provided, further, that no funds appropriated in this item or in any other item of this act may be used to adjust the effect of salary increases for the 1976–77 fiscal year; and provided, further, that $5,680,000 of the funds appropriated in this item shall be used to pay an equal, flat-dollar-amount salary increase to all academic and academic-related positions. Before the Trustees of the California State University and Colleges establish any increased salary range or rate for the 1977–78 fiscal year, a certification shall be obtained from the Department of Finance that sufficient money either is available in funds authorized for the California State University and Colleges or may be made available from the appropriation in this item to meet the cost of such increases	24,635,000
379.4	—For Salary Increase Fund, to be allocated by the Department of Finance to the Trustees of the California State University and Colleges, in augmentation of its appropriation for support or for other purposes, in such amounts as will defray the cost, including staff benefits, of increases in compensation for nonacademic positions provided in any increased salary range or rate established on or after July 1, 1977, for the 1977–78 fiscal year by the Trustees of the California State University and Colleges ..... provided, that increases in compensation provided by this item for increases salary ranges for positions established for the 1977–78 fiscal year shall not result in total annual salary increases of more than $20,200,000; provided, further, that no funds appropriated in this item or in any other item of this act may be used to adjust the effect of salary increases for the 1976–77 fiscal year; and provided, further, that no funds appropriated in	20,200,000

Item Amount

this item or in any other item of this act may be used to pay to executive management positions, including the chancellor, the executive vice chancellor, the vice chancellors, and the presidents, in the aggregate, an average salary increase in the 1977–78 fiscal year greater than 5 percent, excluding from the computation thereof any equal, flat-dollar-amount salary increase granted by the trustees from the appropriation made in this item, which equal, flat-dollar-amount salary increase may not, however, exceed the equal, flat-dollar-amount salary increase provided in Item 379.3. Before the Trustees of the California State University and Colleges establish any increased salary range or rate for the 1977–78 fiscal year, a certification shall be obtained from the Department of Finance that sufficient money either is available in funds authorized for the California State University and Colleges or may be made available from the appropriation in this item to meet the cost of such increases.

380—For Salary Increase Fund, for state officers and employees whose compensation including staff benefits, or portion thereof, is payable from special funds, the following amounts are hereby appropriated from each special fund from which such officers and employees are paid:

(a) An amount sufficient to provide the increase in compensation provided in any increased salary range or rate established on or after July 1, 1977, by the State Personnel Board, the Department of Finance, or the Judicial Council of California, as the case may be.

(b) With respect to state officers whose salaries are specified by statute, an amount sufficient to augment by 10.1 percent the amount of salaries authorized by the Budget Act of 1976 for such officers, during the 1977–78 fiscal year, pursuant to Section 11569 of the Government Code 38,178,000
which amounts are to be made available by executive order of the Department of Finance in augmentation of their respective appropriations for support or for other purposes

Provided, that increases in compensation provided by this item for increased salary ranges for positions established for the 1977–78 fiscal year shall not result in total annual salary increases of more than $38,178,000.

Item		Amount
	Before any increased salary range or rate established for any position for the 1977–78 fiscal year shall become effective, a certification shall be obtained from the Director of Finance that sufficient money is available in funds authorized for the agencies or may be made available from the appropriations in this item, to meet the cost of such increases.	
	Provided further, that salaries of senior civil service technical, professional, and managerial classes shall be adjusted in a manner which provided for adequate differentials, as determined by the State Personnel Board, above salaries of related subordinate classes.	
381—For Salary Increase Fund, for state officers and employees whose compensation including staff benefits, or portion thereof, is payable from nongovernmental cost funds, the following amounts are hereby appropriated from each nongovernmental cost fund from which such officers and employees are paid:		
	(a) An amount sufficient to provide the increase in compensation provided in any increased salary range or rate established on or after July 1, 1977, by the State Personnel Board, the Department of Finance, or the Judicial Council of California as the case may be.	
	(b) With respect to state officers whose salaries are specified by statute, an amount sufficient to augment by 10.1 percent the amount of salaries authorized by the 1976 Budget Act for such officers, during the 1977–78 fiscal year, pursuant to Section 11569 of the Government Code	(64,236,000)

Item		Amount
	which amounts are to be made available by executive order of the Department of Finance in augmentation of their respective appropriations for support or for other purposes.	
	Provided, that increases in compensation provided by this item for increased salary ranges for positions established for the 1977–78 fiscal year shall not result in total annual salary increases of more than $64,236,000.	
	Before any increased salary range or rate established for any position for the 1977–78 fiscal year shall become effective, a certification shall be obtained from the Director of Finance that sufficient money is available in funds authorized for the agencies or may be made available from the appropriations in this item, to meet the cost of such increases	
	Provided further, that salaries of senior civil service technical, professional, and managerial classes shall be adjusted in a manner which provides for adequate differentials, as determined by the State Personnel Board, above salaries of related subordinate classes.	
382—For Emergency Fund, to be expended only on written authorization of the Department of Finance for emergencies.....		1,500,000 (1,500,000)
	and in addition, $1,500,000 is appropriated for loans that may be made from the Emergency Fund to state agencies which derive their support from the General Fund or from sources other than the General Fund, upon such terms and conditions for repayment as may be prescribed by the Department of Finance and any sum so loaned shall, if ordered by the Department of Finance, be transferred by the State Controller to the fund from which the support of the agency is derived. Emergencies within the meaning of this provision are hereby defined as contingencies for which no appropriation, or insufficient appropriation, has been made by law and which in the judgment of the Director of Finance constitute cases of actual necessity, but these shall be limited to purposes which have been specifically approved by the Legislature in budget acts or other legislation, except that not more than $200,000 of this item may be expended for emergencies for which no such prior authorization exists.	

Item	Amount
Provided, that the Director of Finance shall file with the Joint Legislative Budget Committee within 10 days after approval, copies of all executive orders and allotment promises for allocations from the Emergency Fund stating the reasons for, and the amount of, all such executive orders and allotment promises for allocations.	
Provided further, that any augmentation from this item to any program in excess of 10 percent of the amount authorized for expenditure in the 1977–78 fiscal year for such program shall become effective no sooner than 30 days after notification in writing to the Joint Legislative Budget Committee or no sooner than such lesser time as the committee, or its designee, may in each instance determine, except that no such limit shall apply if the Director of Finance states in writing to the Chairman of the Joint Legislative Budget Committee the necessity and urgency for the allocation which, in the judgment of the director, makes prior approval impractical.	
383—For allocation by executive order of the Department of Finance to the several state offices, departments, boards, bureaus, commissions, and other state agencies, in augmentation of their respective appropriations and to other items of this act, for support or for other purposes chargeable to the General Fund, in such amounts as will make sufficient money available to fund during the 1977–78 fiscal year, price increases in excess of budgeted projections	5,770,200
provided, that no part of this money shall be used for increases in personnel, personal service contracts, to upgrade a program now in existence, or to start any program not now provided for in this budget; except that of the funds appropriated by this item, an amount, not to exceed $750,000, may be allocated and expended for the purpose of implementing Executive Order No. B-22-76, issued September 29, 1976.	

Item		Amount
	Provided further, that the Department of Finance shall make no allocation pursuant to this item sooner than 30 days after notification in writing of the necessity therefor has been given to the chairman of the committee of each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee, or sooner than such shorter time as the Chairman of the Joint Legislative Budget Committee, or his designee, may in each instance determine.	
384—For increases in prices in excess of budgeted projections payable from special funds, there is hereby appropriated from each such special fund from which such price increases are paid such amounts as the Department of Finance shall determine, as will make sufficient money available to fund such increased costs during the 1977–78 fiscal year..... which amounts are to be made available by executive order of the Department of Finance in augmentation of appropriations from special funds and to other items of this act, for support or for other purposes.		1,585,600
	Provided, that no part of this money shall be used for increases in personnel, personal service contracts, to upgrade a program now in existence, or to start any program not now provided for in this budget; except that of the funds appropriated by this item, an amount not to exceed $200,000, may be allocated and expended for the purpose of implementing Executive Order No. B-22-76, issued September 29, 1976.	
	Provided further, that the Department of Finance shall not authorize expenditures pursuant to this item sooner than 30 days after notification in writing of the necessity therefor has been given to the chairman of the committee of each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee, or sooner than such shorter time as the Chairman of the Joint Legislative Budget Committee, or his designee, may in each instance determine.	

Item	Amount
385—For increases in prices in excess of budgeted projections payable from nongovernment cost funds, there is hereby appropriated from each such fund from which such price increases are paid such amounts as the Department of Finance shall determine, as will make sufficient money available to fund such increased costs during the 1977–78 fiscal year.. ..... (1,994,200)	

which amounts are to be made available by executive order of the Department of Finance in augmentation of appropriations from nongovernmental cost funds and to other items of this act for support or for other purposes.

Provided, that no part of this money shall be used for increases in personnel, personal service contracts, to upgrade a program now in existence, or to start any program not now provided for in this budget; except that of the funds appropriated by this item, an amount, not to exceed $200,000, may be allocated and expended for the purpose of implementing Executive Order No B-22-76, issued September 29, 1976.

Provided further, that the Department of Finance shall not authorize expenditures pursuant to this item sooner than 30 days after notification in writing of the necessity therefor has been given to the chairman of the committee of each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee, or sooner than such shorter time as the Chairman of the Joint Legislative Budget Committee, or his designee, may in each instance determine.

CAPITAL OUTLAY SECTION

SEC. 2.2. The following sums of money, or so much thereof as may be necessary, unless otherwise provided herein, are hereby appropriated for expenditure during the 1977–78, 1978–79 and 1979–80 fiscal years, except that appropriations for studies, planning, and working drawings, and minor capital outlay shall be available for expenditure only during the 1977–78 fiscal year. In addition, every appropriation made in this section for construction, or working drawings and construction, that has not been approved by the State Public Works Board on or before June 30, 1978, shall revert as of that date to the fund from which the appropriation was made All such appropriations, unless otherwise herein provided, shall be paid out of the General Fund in the State Treasury.

Item		Amount
	General Administration	
385.5—For minor capital outlay, Secretary of State		85,880
	Agriculture and Services	
386—For capital outlay, Department of Food and Agriculture		272,350
(a) Yermo inspection station recondition	54,700	
(b) Truckee inspection station recondition	192,650	
(c) Working drawings and remodel chemistry laboratory to office space	25,000	
387—For minor capital outlay, Museum of Science and Industry		127,875
388—For minor capital outlay, Franchise Tax Board ..		143,200
389—For Capital Outlay, Department of General Services		31,185,750
Schedule:		
(b) Land acquisition—new state building, Sacramento (Site No. 3)	544,200	
(c) Planning—new state building, Sacramento (Site No. 3)	500,000	
provided, that prior to approval by the State Public Works Board of preliminary plans and allocation of funds for working drawings appropriated for this project, the Director of General Services shall submit the final preliminary plans to the Chairman of the Assembly Committee on Ways and Means, the Chairman of the Senate Committee on Finance, and the Chairman of the Joint Legislative Budget Committee for their review; and provided, further, that the State Public Works Board may not allocate any funds appropriated for this project unless and until Assembly Bill No. 1211 of the 1977–78 Regular Session of the Legislature is enacted.		
(d) Construction—new Department of Justice Building, Sacramento....	4,679,000	
(e) Construction—new state building, Sacramento (Site No. 1—phase B)	11,784,500	

Item		Amount
	provided, that prior to approval by the State Public Works Board of construction funds appropriated for this project, the Director of General Services shall submit the preliminary plans and working drawings to the Joint Legislative Budget Committee for its review.	
(ex)	Construction—new parking garage, Sacramento (Site No. 1—phase B)	3,215,500
	provided, that prior to approval by the State Public Works Board of construction funds appropriated for this project, the Director of General Services shall submit the preliminary plans and working drawings to the Joint Legislative Budget Committee for its review.	
(f)	Working drawings for alterations —State Compensation Insurance Fund Building, San Francisco	1,500,000
	provided, that prior to allocation by the State Public Works Board of funds for working drawings appropriated for this project, the Director of General Services shall submit the final preliminary plans to the Chairman of the Assembly Committee on Ways and Means, the Chairman of the Senate Committee on Finance, and the Chairman of the Joint Legislative Budget Committee for their review.	
(g)	Air conditioning modifications—state building, Los Angeles	280,400
(i)	Monitoring system—central heating and cooling plant, Sacramento	1,206,000
(j)	Energy retrofit—state buildings, statewide	3,535,650
(k)	Planning and construction— Sacramento area development	600,000
	provided, that funds appropriated for this project may be expended only for parking facilities and a shuttle system.	
(*l*)	Planning and working drawings —new state building, Long Beach	643,000

Item		Amount
	provided, that prior to approval by the State Public Works Board of preliminary plans and allocation of funds for working drawings appropriated for this project, the Director of General Services shall submit the final preliminary plans to the Chairman of the Assembly Committee on Ways and Means, the Chairman of the Senate Committee on Finance, and the Chairman of the Joint Legislative Budget Committee for their review.	
	(m) Elevator modifications—statewide 769,000	
	(n) Alterations—state building, San Francisco 376,900	
	(o) Working drawings—new state building, San Jose 774,500	
	(p) Purchase records center and disposal equipment 675,000	
	(q) Minor capital outlay 102,100	
389.1	—For capital outlay, Department of General Services	276,700
	Schedule:	
	(a) Alterations—Resources Building, Sacramento 276,700	
	provided, that prior to requesting allocation of the funds appropriated in this item, the Department of General Services, with the cooperation of the Public Employees' Retirement System and the Resources Agency, shall evaluate several alternatives for providing space for the Public Employees' Retirement System in the Resources Building (including moving, either the State Water Resources Control Board or State Teachers' Retirement System out of the Resources Building).	
	Provided, further, that the funds appropriated in this item may not be allocated by the State Public Works Board until the chairmen of the fiscal committees and the Chairman of the Joint Legislative Budget Committee have been given at least 30 days' advance notice (or notice within such shorter time as the Chairman of the Joint Legislative Budget Committee, or his designee, may in each instance determine) of the proposed alterations to the Resources Building.	
	Provided, further, that notwithstanding the preceding provisions, the Public Employees' Retirement System may proceed with the first phase of its remodeling on the 10th floor of the	

Item		Amount
	Resources Building, with the attendant relocation of the affected units of the State Water Resources Control Board, and the Public Employees' Retirement System shall exchange space with a unit of the Resources Agency to allow the executive offices of the Department of Conservation to remain on the 13th floor of the Resources Building.	
389.2	—For capital outlay, Department of General Services, payable from the Harbors and Watercraft Revolving Fund	(10,000)
	Schedule:	
	(a) Alterations—Resources Building, Sacramento 10,000	
	provided, that prior to requesting allocation of the funds appropriated in this item, the Department of General Services, with the cooperation of the Public Employees' Retirement System and the Resources Agency, shall evaluate several alternatives for providing space for the Public Employees' Retirement System in the Resources Building (including moving, either the State Water Resources Control Board or State Teachers' Retirement System out of the Resources Building).	
	Provided, further, that the funds appropriated in this item may not be allocated by the State Public Works Board until the chairmen of the fiscal committees and the Chairman of the Joint Legislative Budget Committee have been given at least 30 days' advance notice (or notice within such shorter time as the Chairman of the Joint Legislative Budget Committee, or his designee, may in each instance determine) of the proposed alterations to the Resources Building.	
	Provided, further, that notwithstanding the preceding provisions, the Public Employees' Retirement System may proceed with the first phase of its remodeling on the 10th floor of the Resources Building, with the attendant relocation of the affected units of the State Water Resources Control Board, and the Public Employees' Retirement System shall exchange space with a unit of the Resources Agency to allow the executive offices of the Department of Conservation to remain on the 13th floor of the Resources Building.	
389.3	—For capital outlay, Department of General Services, payable from the Public Employees' Retirement Fund	(169,000)

Item Amount

Schedule:

(a) Alterations—Resources Building, Sacramento 169,100

provided, that prior to requesting allocation of the funds appropriated in this item, the Department of General Services, with the cooperation of the Public Employees' Retirement System and the Resources Agency, shall evaluate several alternatives for providing space for the Public Employees' Retirement System in the Resources Building (including moving, either the State Water Resources Control Board or State Teachers' Retirement System out of the Resources Building).

Provided, further, that the funds appropriated in this item may not be allocated by the State Public Works Board until the chairmen of the fiscal committees and the Chairman of the Joint Legislative Budget Committee have been given at least 30 days' advance notice (or notice within such shorter time as the Chairman of the Joint Legislative Budget Committee, or his designee, may in each instance determine) of the proposed alterations to the Resources Building.

Provided, further, that notwithstanding the preceding provisions, the Public Employees' Retirement System may proceed with the first phase of its remodeling on the 10th floor of the Resources Building, with the attendant relocation of the affected units of the State Water Resources Control Board, and the Public Employees' Retirement System shall exchange space with a unit of the Resources Agency to allow the executive offices of the Department of Conservation to remain on the 13th floor of the Resources Building.

389.4—For capital outlay, Department of General Services, payable from the Fish and Game Preservation Fund 71,000

Schedule:

(a) Alterations—Resources Building, Sacramento 71,000

provided, that prior to requesting allocation of the funds appropriated in this item, the Department of General Services, with the cooperation of the Public Employees' Retirement System and the Resources Agency, shall evaluate several alternatives for providing space for the Public Employees' Retirement System in the Resources

Item		Amount
	Building (including moving, either the State Water Resources Control Board or State Teachers' Retirement System out of the Resources Building)	
	Provided, further, that the funds appropriated in this item may not be allocated by the State Public Works Board until the chairmen of the fiscal committees and the Chairman of the Joint Legislative Budget Committee have been given at least 30 days' advance notice (or notice within such shorter time as the Chairman of the Joint Legislative Budget Committee, or his designee, may in each instance determine) of the proposed alterations to the Resources Building.	
	Provided, further, that notwithstanding the preceding provisions, the Public Employees' Retirement System may proceed with the first phase of its remodeling on the 10th floor of the Resources Building, with the attendant relocation of the affected units of the State Water Resources Control Board, and the Public Employees' Retirement System shall exchange space with a unit of the Resources Agency to allow the executive offices of the Department of Conservation to remain on the 13th floor of the Resources Building.	
389.5	—The sum of $74,775,800 is appropriated for construction of state office buildings proposed by the Governor, for expenditure in the 1978–79 and 1979–80 fiscal years when reappropriated by the Legislature in the budget acts of those years, or during the 1977–78 fiscal year when reappropriated by the Legislature for state office buildings in the Capitol area, Department of General Services	(74,775,800)
389.6	—For capital outlay, Department of General Services	2,497,700
	Schedule:	
	(a) Planning and construction—new state building, Sacramento (Site No. 1—phase A) for transfer to, and in augmentation of, Item 373(a), Budget Act of 1976 2,497,700	

Item	Amount
provided, that the State Public Works Board shall not approve the allocation of any of the funds appropriated for this project unless the Chairman of the Assembly Committee on Ways and Means, the Chairman of the Senate Committee on Finance, and the Chairman of the Joint Legislative Budget Committee concur in the need for the funds after the review of the panel reports that are required under Item 373(a), Budget Act of 1976 Provided further, that the Department of General Services shall allocate space within the building in accordance with State Administrative Manual space guidelines.	
390—For minor capital outlay, Veterans Home of California, Department of Veterans Affairs	120,000
390.1—For capital outlay, Veterans Home of California, correction of hospital fire and safety hazards, Department of Veterans Affairs	90,005

BUSINESS AND TRANSPORTATION

TRANSPORTATION

391—For capital outlay, Department of Transportation, payable from the California Environmental Protection Program Fund	100,000
392—For capital outlay, Department of Transportation, payable from federal funds deposited in the State Highway Account, State Transportation Fund, for the purposes specified in the provisions of Chapter 6.5 (commencing with Section 2330) and Chapter 7 (commencing with Section 2350) of Division 3 of the Streets and Highways Code..... provided, that the funds appropriated in this item may be transferred upon order of the Department of Finance to subitem (a) or (b) in Item 160 of this act, for local assistance, Department of Transportation.	(12,800,000)
392.1—For capital outlay, Department of Transportation, general support program, payable from the State Highway Account, State Transportation Fund	760,000
392.2—For capital outlay, Department of Transportation, payable from the State Highway Account, State Transportation Fund	5,500,000
393—For capital outlay, Department of the California Highway Patrol, payable from the Motor Vehicle Account, State Transportation Fund	526,130

Item		Amount
Schedule:		
(a) Construction program planning ..	7,500	
(b) Purchase leased facility—Lancaster	326,830	
(c) Minor capital outlay	191,800	
394—For capital outlay, Department of Motor Vehicles, payable from the Motor Vehicle Account, State Transportation Fund		1,799,000
Schedule:		
(b) Planning for computer replacement	50,000	
(c) Construct office building and parking facilities—Simi Valley—Thousand Oaks	718,500	
(d) Construct office building and parking facilities—Oceanside	885,500	
(e) Minor capital outlay	145,000	

RESOURCES

395—For minor capital outlay, California Conservation Corps		500,000
provided, that funds appropriated by this item are subject to allocation by the State Public Works Board and such allocations shall be limited to $100,000 at each individual facility.		
396—For capital outlay, Department of Forestry		2,398,525
Schedule:		
(a) Minor capital outlay	583,870	
(b) Land acquisition—statewide opportunity purchases	5,000	
provided, that the funds appropriated by subitems (a) and (b) shall be available for expenditure only during the 1977-78 fiscal year.		
(c) Land acquisition—Grasshopper forest fire station	12,500	
(d) Land acquisition and working drawings—Mt. Zion forest fire station	36,500	
(e) Construct Tularcitos forest fire station	236,965	
(f) Construct Almaden forest fire station	287,838	
(g) Equip Almaden forest fire station	5,159	
(h) Construct materiel service center —San Bernardino ranger unit headquarters	260,900	

Item		Amount
(i) Equip materiel service center—San Bernardino ranger unit headquarters	13,340	
(j) Construct Beaumont forest fire station	355,400	
(k) Equip Beaumont forest fire station	6,749	
(*l*) Construct Yucaipa forest fire station	366,800	
(m) Equip Yucaipa forest fire station	7,104	
(n) Land acquisition—California Conservation Corps center, Bollinger Canyon	130,000	
(o) Master plan—Oak Glen conservation camp	20,000	
(p) Equipment and materials—California Conservation Corps Center, Bollinger Canyon	35,000	
provided, that none of the funds appropriated for this project for the alteration and rehabilitation of the corps camp may be encumbered until the State Public Works Board has reviewed and approved such expenditure.		
(q) Land acquisition—San Jacinto forest fire station	35,400	
396.5—For capital outlay, State Lands Division, State Lands Commission		3,600,000
Schedule:		
(a) Land acquisition—Bolsa Bay	4,600,000	
(b) Reimbursement from local entities	—1,000,000	
provided, that the lands acquired be leased to the Department of Fish and Game for purposes of restoration of wetlands and protection of wildlife habitat and scenic open space; provided further, that the acquisition of the lands authorized by this item shall not be subject to the provisions of the Property Acquisition Law (commencing with Section 15850 of the Government Code) or the provisions of Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 of the Government Code; provided further, that any federal funds secured for the purchase of these lands shall be credited to this appropriation and shall revert to the General Fund.		
397—For capital outlay, Department of Fish and Game, payable from the California Environmental Protection Program Fund		400,000

Item		Amount
Schedule:		
(a) Land acquisition—ecological reserves	379,000	
1. Alkali Sink Ecological Reserve		
2. Palisades Peregrine Falcon Ecological Reserve		
3. Saline Valley Ecological Reserve		
4. Manila Dunes Ecological Reserve		
5. Cosumnes River Ecological Reserve		
6. Macklin Creek Ecological Reserve		
(b) Development of ecological reserves	21,000	
397.5—For drought-related minor capital outlay, Department of Fish and Game, payable from the Fish and Game Preservation Fund		205,000
398—For capital outlay, Department of Navigation and Ocean Development, the sum of $458,000 appropriated from the Harbors and Watercraft Revolving Fund		(458,000)
Schedule:		
(a) Kings Beach (Placer County), land acquisition	55,000	
(b) Minor capital outlay	383,000	
(c) Project planning	20,000	
399—For capital outlay, Department of Parks and Recreation		510,000
Schedule:		
(a) Restoration	399,000	
(b) Security fence	111,000	
400—For capital outlay, Department of Parks and Recreation, payable from the Park and Recreation Revolving Account, General Fund		2,447,850
Schedule:		
(a) Bidwell Mansion SHP—acquisition	29,000	
(b) Clear Lake SP—acquisition	300,000	
(c) Folsom Lake SRA—acquisition	165,000	
(d) Henry W. Coe SP—acquisition	30,000	
(e) Forest of Nisene Marks SP—acquisition	800,000	
provided, that the first priority for encumbrance of funds appropriated for this project shall be for the acquisition of unimproved property fronting the right-of-way corridor.		

Item		Amount
	(f) Old Town San Diego SHP—Mission Playhouse, construction.	483,850
	(g) Yolanda Ranch—acquisition	600,000

provided, that the Department of Parks and Recreation shall acquire full fee of up to 47 acres which have several buildings, and that the owner of the property (1) donates approximately four acres which have large ranch houses and a building, (2) donates, or sells at a nominal price, development rights for 110 acres of class I agricultural land, and (3) is relocated if his life tenancy in the property is relinquished; provided further, that none of the requirements contained in this proviso may be revised unless the Department of Parks and Recreation submits a written request therefor to the State Public Works Board and the board approves the request.

	(h) Clear Lake SP—sewer buy-in charge	20,000
	(i) Malakoff Diggins SHP—water turbidity study	20,000

provided, that none of the funds appropriated for acquisition of parklands by this item shall be expended on the purchase of real property until the State Public Works Board has determined that the procedures and criteria established by the Attorney General relating to implied dedication and public prescriptive rights or claims have been complied with in the investigations and appraisals of the Department of General Services. All material relating to implied dedication and public prescriptive rights or claims shall be retained in the files of the Department of General Services and shall be available for postaudit on a selective basis by the Attorney General.

401	—For capital outlay, Department of Parks and Recreation, subject to the approval of the State Public Works Board, payable from the Bagley Conservation Fund, notwithstanding the provisions of Section 316, Chapter 1, Statutes of 1971, First Extraordinary Session	747,079
	Schedule:	
	(a) Design and construction planning	47,622
	(b) Seacliff SB—day use and sanitary facilities working drawings and construction	619,457
	(c) Torrey Pines SR—acquisition . .	80,000

Item		Amount
402—For capital outlay, Department of Parks and Recreation, payable from the Collier Park Preservation Fund		4,028,165
Schedule:		
(a) Acquisition costs	100,000	
(b) Año Nuevo SRA—acquisition of fee title of real property between Route 1 and the coast and acquisition of development rights to real property inland from Route 1	670,000	
(d) Huntington SB—day use, working drawings	260,040	
(e) La Purísima Mission SHP—acquisition	80,000	
(f) Malakoff Diggins SHP—acquisition	69,000	
(g) McGrath SB—sewage system, development	347,200	
(h) Old Sacramento SHP—acquisition	72,000	
provided, that no funds allocated to this category may be encumbered unless a written agreement has been entered into between the City of Sacramento and the County of Sacramento and the Department of Parks and Recreation requiring the city and county to develop, operate, and maintain a bicycle trail.		
(i) Opportunity purchases	237,000	
(j) Purchase of artifacts for state historic projects	100,000	
provided, that no funds allocated to this category may be encumbered for a specific artifact acquisition program or the acquisition of any one artifact costing more than $10,000 unless such program or acquisition has been approved by the State Public Works Board.		
(k) Saddleback Butte SP—facility improvements	353,500	
(*l*) San Buenaventura SB—storage building, construction	145,650	
(n) Minor capital outlay	1,593,775	
provided, that the appropriation made for opportunity purchases shall be expended only for small parcels that were not available to the state approximately six months prior to July 1, 1977, and provided, further, that none of the funds appropriated for acquisition of parklands by this item shall be expended on the purchase of real property until the State Public Works Board has		

Item	Amount
determined that the procedures and criteria established by the Attorney General relating to implied dedication and public prescriptive rights or claims have been complied with in the investigations and appraisals of the Department of General Services. All material relating to implied dedication and public prescriptive rights or claims shall be retained in the files of the Department of General Services and shall be available for postaudit on a selective basis by the Attorney General.	
403—For capital outlay, Department of Parks and Recreation, payable from the State Park Contingent Fund	0
Schedule.	
(a) Big Basin Redwoods SP—acquisition 137,500	
(b) Castle Rock SP—acquisition 57,750	
provided, that expenditure of funds specified for this project shall be limited to the acquisition of properties from the Sempervirens Fund	
(c) Portola SP—acquisition 350,000	
(d) Rancho Olompali—acquisition..... 350,000	
(e) Forest of Nisene Marks SP—acquisition 150,000	
(i) Reimbursements—Federal Land and Water Conservation Fund ...—1,045,250	
provided, that expenditure of funds appropriated by this item for the acquisition of full fee title shall be limited to one-half of the appraised value.	
Provided further, that none of the funds appropriated for acquisition of parklands by this item shall be expended on the purchase of real property until the State Public Works Board has determined that the procedures and criteria established by the Attorney General relating to implied dedication and public prescriptive rights or claims have been complied with in the investigations and appraisals of the Department of General Services. All material relating to implied dedication and public prescriptive rights or claims shall be retained in the files of the Department of General Services and shall be available for postaudit on a selective basis by the Attorney General.	
403.5—For capital outlay, Department of Parks and Recreation, payable from the Off-Highway Vehicle Fund.....	8,000,000
Schedule:	
(a) Hungry Valley—acquisition 7,500,000	

Item			Amount
	(b) Hungry Valley—planning and operations	500,000	
404—For capital outlay, Department of Parks and Recreation, Division of Exposition and State Fair			896,000
Schedule:			
	(a) Concessions facilities preliminary planning and working drawings	54,000	
	(b) Expo Center preliminary planning and working drawings	92,000	
	(c) Stable area roadways and drainage construction	209,120	
	(d) Minor capital outlay	540,880	
405—For acquisition of land, easements and rights-of-way, including but not limited to, borrow pit, spoil areas and easements for levees, clearing, flood control works and flowage, and for appraisals, surveys, and engineering studies necessary for the completion or operation of the following projects in the Sacramento and San Joaquin watersheds as authorized by Section 8617.1 and Chapters 1 (commencing with Section 12570), 2 (commencing with Section 12639), 3 (commencing with Section 12800), 3.5 (commencing with Section 12840), and 4 (commencing with Section 12850) of Part 6 of Division 6 of the Water Code; and for advances to the federal government or payments to the federal government or others for incidental construction or reconstruction items which are an obligation of the state in connection with the completion or operation of the following projects and for materials and necessary construction, reconstruction, relocation, or alterations to highways, railroads, bridges, powerlines, communication lines, pipelines, irrigation works and other structures and facilities and for appraisals, surveys and engineering studies incidental thereto, Department of Water Resources			1,125,000
Schedule:			
	(a) Sacramento River and tributaries flood control project	50,000	
	(c) Chester, North Fork Feather River flood control project	10,000	
	(d) San Joaquin River and tributaries flood control project	15,000	
	(e) Fresno River flood control project	25,000	
	(f) Chowchilla River flood control project	25,000	

Item		Amount
(g) Sacramento River bank protection project	1,000,000	
notwithstanding the provisions of Section 2.2 of this act, the amount in this item shall be available for expenditure only during the 1977–78 fiscal year; and provided further, that this item shall be exempt from the provisions of Section 7 of this act.		
406—For capital outlay, Department of Water Resources		1,115,800
Schedule:		
(a) Flood warning telemetry system	364,000	
(b) Sutter bypass rehabilitation	751,800	

HEALTH AND WELFARE

407—For capital outlay, Department of Health		49,216,319
Schedule:		
(a) Statewide: Fire and life safety and environmental improvements	47,566,426	
Agnews State Hospital:		
(1) Buildings 51-52-53, working drawings and construction	3,469,300	
Atascadero State Hospital:		
(2) Wards 1, 2, and 3, construction	450,000	
Camarillo State Hospital:		
(3) Buildings 41-42, children's unit, working drawings and construction	1,124,676	
(4) Buildings 60-61, 64-66-67, working drawings and construction	613,889	
Fairview State Hospital:		
(7) RTC building, construction	983,500	
(8) Units D, E, and F, working drawings and construction	1,142,942	
(9) Unit B, working drawings and construction	1,009,731	
(10) Unit K, working drawings and construction	735,821	

Item		Amount
	(11) Units S and S-1, working drawings and construction ..	666,315
	(12) Unit U, working drawings and construction	392,200
	Metropolitan State Hospital:	
	(13) 400 series ward, working drawings and construction ..	1,088,640
	(14) Units 407, 409, 411, 413, and 415, working drawings and construction .	1,226,500
	Napa State Hospital:	
	(18) RTC building, construction	922,000
	(19) Unit 195, working drawings and construction.....	1,351,613
	(20) Units 254, 255, and 256, working drawings and construction.....	721,145
	(21) Units 196, 197, and 198, working drawings and construction.....	4,535,517
	(22) Units 253 and 257, working drawings and construction ..	491,683
	Pacific State Hospital:	
	(23) Buildings 2, 3, 16, 17, 20, 21, 22, and 24, working drawings and construction	1,933,954
	(24) Units 1, 4, 5, 23, 25, 27, 31, and 32, working drawings and construction ..	2,381,549
	Patton State Hospital:	
	(25) Building 20, working drawings and construction ..	1,643,500
	(26) Building 30, working drawings and construction ..	1,558,700

Item	Amount
(27) Building U, working drawings and construction	533,900
(28) Building N, working drawings and construction	1,020,520
Porterville State Hospital:	
(30) RTC Building, construction	509,000
(31) M Units 2, 4, 6, 7, 8, 9, 10, and 11; F Units 10, 17, and 18, construction	2,714,000
(32) M Units 5, 12, 13, 15, and 16; F Units 5, 7, 8, and 9, working drawings and construction	2,208,200
Sonoma State Hospital:	
(33) Nelson Building, working drawings and construction ..	408,524
(34) Fedrickson Building, construction	273,800
(35) Regamy, Emparan, Johnson, Ordahl, Communicable Diseases, Brent, Lathrop, Stoneman, Poppe, Cromwell, Tallman, and Judah, working drawings and construction	3,498,508
(36) Remis, Cohen, Butler, and Lux, working drawings and construction ..	1,717,581
(37) Powers and Parmelle, working drawings and construction.....	994,132

Item		Amount
	Stockton State Hospital:	
	(38) RTC Building, working drawings and construction .	339,661
	(39) Cottage G, working drawings and construction	1,909,513
	(40) Cottage C, working drawings and construction	935,600
	(41) Building E, working drawings and construction	2,060,312
	(b) Public Health Building—Berkeley	
	(1) Second and fifth floor—alterations construction	102,100
	(c) Sonoma State Hospital—repair and replace plates and mullions ..	249,200
	(d) Napa State Hospital—electrical distribution preliminary plans and working drawings	19,000
	(e) Napa State Hospital—replace boiler plant preliminary plans and working drawings	187,000
	(f) Patton State Hospital—replace boiler plant, preliminary plans and working drawings	109,000
	(g) Stockton State Hospital—replace boiler, preliminary plans and working drawings	17,200
	(h) Porterville State Hospital construct and equip Rehabilitation Therapies Building—working drawings.....	27,500
	(j) Minor capital outlay.....	830,393
	(k) Patton State Hospital—primary electrical distribution system, preliminary plans and working drawings	108,500

provided, that no funds shall be expended from subitem (a) unless and until the Department of Health receives approval from the Department of Finance to make necessary and specified corrections of fire and life safety deficiencies; provided further, that prior to initiation of working drawings, the Department of Health shall seek a waiver of any code accreditation requirements which exceed state code requirements.

Item		Amount
408—For capital outlay, Employment Development Department, for the purposes listed below, payable from moneys credited to this state's account in the Unemployment Trust Fund and made available to this state under Section 903 of the Social Security Act (42 USC 1103) as amended ..		(2,495,620)
(a) Merced office—construction, building addition	362,640	
(b) Modesto office—construction, building addition	603,150	
(c) Modesto office—parking lot	73,900	
(e) Van Nuys, northwest office—office building site acquisition.....	437,000	
(f) Van Nuys, southeast office—office building site acquisition	437,000	
(g) Monterey office—office building site acquisition	200,000	
(h) Santa Rosa office—parking site acquisition and improvement	103,400	
(i) Bakersfield office—parking site acquisition and improvement	91,650	
(j) Salinas office—parking site acquisition and improvement.....	139,880	
(k) Preliminary plans	47,000	
provided that:		
(a) Such money is requisitioned from the Unemployment Trust Fund pursuant to Section 1528.5 of the Unemployment Insurance Code.		
(b) The period within which such money may be obligated is specifically limited to the period beginning on the effective date of this act and ending June 30, 1979.		
(c) The total amount obligated pursuant to this item during the 1977–78 fiscal year shall not exceed the amount by which		
(1) The aggregate of the amounts credited to the account of this state pursuant to Section 903 of the Social Security Act (42 USC 1103) during such fiscal year and the 24 preceding fiscal years, exceeds		

Item			Amount
	(2) The aggregate of the amounts obligated for administration and paid out for benefits and charged against the amounts credited to the account of this state during such 25 fiscal years.		
408.4—For capital outlay, Employment Development Department, for transfer to, and in augmentation of, Item 392, Budget Act of 1976, for the purpose specified in project (b) of such item, and subject to the provisions of Item 392, payable from the moneys credited to this state's account in the Unemployment Fund and made available to this state under Section 903 of the Social Security Act, as amended			(101,000)
408.5—For capital outlay, Employment Development Department, for transfer to, and in augmentation of, Item 391 of the Budget Act of 1976, for the purposes specified in project (a) of such item, and subject to the provisions of Item 391, payable from the Employment Development Department Contingent Fund			130,000
409—For minor capital outlay, Department of Benefit Payments			26,000
Schedule:			
(a) Minor capital outlay		86,700	
(b) Federal funds		−24,000	
(c) Reimbursements		−36,700	
410—For capital outlay, Department of Corrections			2,022,628
Schedule:			
Deuel Vocational Institution:			
(b) Replace combination toilets		293,100	
California State Prison at Folsom:			
(c) Replace water lines in food service facilities		100,000	
California Medical Facility:			
(e) Join sewage facility with City of Vacaville		261,853	
California Men's Colony:			
(f) Remodel sewage plant		70,100	
(g) Replace toilets		700,800	
California Institution for Women:			
(h) Pump station and interceptor		58,000	

Item		Amount
California Rehabilitation Center:		
(i) Working drawings, food service building	208,775	
Departmentwide:		
(j) Minor capital outlay	330,000	
410.1—For capital outlay, Department of Corrections, for project programming of state correctional institutions		375,000
410.2—For capital outlay, Department of Corrections, for facilities planning, California State Prison at San Quentin		20,000
provided, that such planning shall involve a review of the physical facility needs at the prison.		
410.3—For capital outlay, Department of Corrections		1,876,400
Schedule:		
California State Prison at San Quentin:		
(a) Improve yard security	548,900	
(b) Replace laundry equipment	432,600	
(c) Remodel hospital rooms	183,000	
(d) Upgrade internal security and control	300,000	
(e) Elevator replacement, north block hospital	211,900	
(f) Upgrade minimum security housing	200,000	
411—For capital outlay, Department of the Youth Authority		4,041,700
Schedule:		
Southern Reception Center-Clinic:		
(a) Working drawings, gymnasium	36,000	
Southern California Youth Center:		
(b) Air condition living units	682,800	
(c) Repair and reroof various structures	443,500	
Preston School of Industry:		
(d) Repair and reroof various structures	317,300	
Northern Reception Center Clinic:		
(e) Repair and reroof various structures	162,000	
(f) Working drawings, gymnasium	36,000	

Item		Amount
	El Paso de Robles School:	
(g)	Repair and reroof various structures	242,900
	Fred C. Nelles School:	
(h)	Air condition and heat the Administration and Administration Annex Buildings	140,900
	Various:	
(i)	Replace security sound systems, various	1,080,300
(j)	Minor capital outlay	900,000

EDUCATION

Education—K–12

412—For capital outlay, Department of Education, for transfer to and in augmentation of Item 389(a), Budget Act of 1974 as reappropriated by Section 10.50 of this act, payable from the Capital Outlay Fund for Public Higher Education, notwithstanding the provisions of Section 66100 and 66102 of the Education Code 18,691,000

Schedule:

	Schools for the Blind, Deaf and Multihandicapped, Fremont:	
	School for the Blind:	
(1)	Construct health care unit	432,550
(1.1)	Construct site development	1,693,000
(1.2)	Construct classroom buildings	163,450
	School for Deaf and Multihandicapped:	
(2)	Construct administrative-evaluation unit	945,100
(3)	Construct educational center	1,062,800
(4)	Construct elementary department	1,491,200
(5)	Construct junior high	868,500
(6)	Construct senior high	1,656,100
(7)	Construct vocational department	1,993,200
(8)	Construct multihandicapped department	828,500
(10)	Construct gymnasium	1,548,300
(11)	Construct little theater	925,900

Item		Amount
(12) Construct food services	1,468,500	
(13) Construct support services	496,700	
(14) Construct central plant	509,100	
(15) Construct site development (shared)	2,608,100	

provided, that the Director of Finance may not authorize the augmentation of the appropriation made by this item, or Section 10.50, and the State Public Works Board may not approve such an augmentation, pursuant to Section 16352 of the Government Code or any other provisions of law or this act, in excess of the construction cost increase, as reflected in the current construction cost index published in the most recently available edition of the "Engineering News Record," and any additional funds in excess of such cost increase shall be provided only by appropriation by the Legislature.

Provided further, that the Director of Finance may not authorize the augmentation of the appropriations made to each project in the above schedule, or each project in the schedule contained in Section 10.50, in excess of the construction cost increase unless the Chairman of the Joint Legislative Budget Committee concurs with the proposed augmentation prior to State Public Works Board approval.

413—For capital outlay, Department of Education, minor projects for Diagnostic School for Neurologically Handicapped Children—Southern California, to be allocated by the Department of Education 8,000

Higher Education

415—For capital outlay, University of California, subject to the approval of the State Public Works Board, payable from the Capital Outlay Fund for Public Higher Education; provided that withdrawals shall be as required to meet current obligations as certified by the University of California, in accordance with the following schedule 15,679,000

Schedule:

Universitywide:

(1) Project programming and preliminary plans, general campuses..... 250,000

provided, that funds appropriated in this subitem shall be released only for those major capital out-

Item		Amount
	lay projects for working drawings or working drawings and construction, which are anticipated to be included in the 1978–79 Governor's Budget, except that a maximum of $75,000 shall be available for expenditure on July 1, 1977, for utility and site development of major capital outlay projects, and for development of benefit/cost analyses of planning alternatives for proposed 1979–80 capital outlay projects.	
(2)	Engineering and environmental planning studies	111,000
	Berkeley Campus:	
(3)	Working drawings and construct Wheeler Hall—CAC deficiencies	278,000
(4)	Working drawings and construct Harmon Gymnasium—CAC (handicapped)	194,000
	Davis Campus:	
(5)	Working drawings and construct CAC deficiencies (handicapped) step 1	880,000
(6)	Working drawings and construct CAC deficiencies, step 1	584,000
	Irvine Campus:	
(7)	Working drawings and construct CAC deficiencies (handicapped)	545,000
(8)	Working drawings and construct CAC deficiencies, step 1	197,000
	Riverside Campus:	
(9)	Working drawings and construct CAC deficiencies	120,000
	San Diego Campus:	
(10)	Working drawings and construct CAC deficiencies, step 1	272,000
	Santa Cruz Campus:	
(11)	Working drawings and construct CAC deficiencies	122,000
	Berkeley Campus:	
(12)	Construct central control system	1,400,000

Item	Amount
Davis Campus:	
(13) Working drawings and construct central control system	1,398,000
Los Angeles Campus:	
(14) Working drawings and construct central control system	2,753,000
Davis Campus:	
(15) Working drawings and construct energy conservation project, step 2	466,000
Irvine Campus:	
(16) Working drawings and construct central plant improvements	227,000
Los Angeles Campus:	
(17) Working drawings and construct Knudsen Hall energy conservation	208,000
Santa Barbara Campus:	
(19) Working drawings and construct energy conservation improvements	307,000
San Diego Campus:	
(20) Working drawings and construct Third College, Academic Unit No. 1	3,009,000
Irvine Campus:	
(21) Working drawings and construct fine arts (dance) alterations	135,000
Riverside Campus:	
(22) Working drawings and construct entomology annex rehabilitation and alterations	165,000
Santa Cruz Campus:	
(23) Working drawings and construct Mt. Hamilton—utilities and repairs	772,000
Davis Campus:	
(24) Working drawings and construct utilities 1977–78	352,000

Item		Amount
(25) Working drawings and construct fuel oil storage facility	315,000	
San Diego Campus:		
(26) Working drawings and construct fuel oil storage facility	144,000	
Davis Campus:		
(27) Working drawings and construct reprographic facility	475,000	
416—For capital outlay, University of California, minor projects to be allocated to the University of California, payable from the Capital Outlay Fund for Public Higher Education		4,400,000
417—For capital outlay, Hastings College of Law, subject to the approval of the State Public Works Board; payable from the Capital Outlay Fund for Public Higher Education, provided, that withdrawals shall be as required to meet current obligations as certified by Hastings College		1,075,000
Schedule:		
(1) Land acquisition	800,000	
(2) Preliminary plans for Academic Facilities Building	275,000	
provided, that the $275,000 included in project (2) of this schedule may not be encumbered to provide facilities in excess of the space required to accommodate the current enrollment of 1500 students		
418—For capital outlay, Hastings College of Law, minor projects to be allocated to Hastings College, payable from the Capital Outlay Fund for Public Higher Education		52,300
419—For capital outlay, Trustees of the California State University and Colleges, subject to the approval of the State Public Works Board, payable from the Capital Outlay Fund for Public Higher Education provided, that withdrawals shall be as required to meet current obligations as certified by the Trustees of the California State University and Colleges.		27,301,000
Schedule:		
Statewide—Trustees of the California State University and Colleges:		
(1) Campus master planning	190,000	
(2) General studies	50,000	

Item		Amount
(3)	Preliminary planning—1978–79 projects	100,000

provided, that the funds appropriated in this category shall be released only for those major capital outlay projects for working drawings or working drawings and construction, which are anticipated to be included in the 1978–79 Governor's Budget, except that a maximum of $30,000 shall be available for expenditure on July 1, 1977, for utility and site development of major capital outlay projects.

	State College, Dominguez Hills:	
(4)	Working drawings and construct utilities 1977	143,000
	San Jose State University:	
(5)	Working drawings for library	376,000

provided, that none of the funds appropriated for this project may be encumbered until, at least 30 days prior to scheduling the preliminary plans for submission to the State Public Works Board, the Trustees of the California State University and Colleges submits to the members of the Joint Legislative Budget Committee, the Legislative Analyst, and the Department of Finance an itemized cost-benefit analysis for each aspect of energy conservation measures to be included in the proposed building, including any additional operational or maintenance costs.

	State College, Bakersfield:	
(6)	Working drawings and construct utilities 1977	218,000
	State University, Fresno:	
(7)	Working drawings for utilities 1977	21,000
	Humboldt State University:	
(9)	Equip Marine Laboratory addition	143,000
	State University, Long Beach:	
(10)	Equip science building addition	1,100,000
	San Diego State University:	
(11)	Equip art classroom building	510,000

Item		Amount
	Sonoma State College:	
(12)	Equip art building	287,000
	Humboldt State University:	
(13)	Equip library addition	112,000
	State University, Long Beach:	
(14)	Equip industrial technology building	500,000
	State Polytechnic University, Pomona:	
(15)	Equip science building	354,000
	Polytechnic State University, San Luis Obispo:	
(17)	Equip architecture classroom building	350,000
	State University, Fullerton:	
(19)	Working drawings for science basement conversion	21,000
	Statewide—Trustees of the California State University and Colleges:	
(20)	Preliminary plans, working drawings, construction and equipment to remove architectural barriers to the handicapped	500,000
	State College, Bakersfield:	
(21)	Construct outdoor physical education facilities II	719,000
	Polytechnic State University, San Luis Obispo:	
(22)	Construct faculty office building	2,651,000
	San Francisco State University:	
(23)	Preliminary plans and working drawings for outdoor physical education facility	13,000
	State College, Bakersfield:	
(25)	Working drawings for initial corporation yard	20,000

Item		Amount
	State College, San Bernardino:	
	(26) Working drawings and construct utilities 1977	125,000
	Statewide—Trustees of the California State University and Colleges, Southern California Ocean Studies Consortium·	
	(30) Working drawings for laboratory facility	83,000
	San Jose State University.	
	(31) Equip science building	84,000
	State College, San Bernardino:	
	(32) Working drawings and construct initial building conversion..	266,000
	State University, Chico:	
	(33) Preliminary plans and working drawings for laboratory school conversion	94,000
	Sonoma State College:	
	(34) Working drawings and construct theater arts building	2,523,000
	Polytechnic State University, San Luis Obispo:	
	(35) Working drawings and construct library	11,470,000
	State University, Long Beach:	
	(36) Preliminary plans and working drawings for music building	265,000
	State University, Los Angeles·	
	(37) Working drawings and construct site development	4,013,000
	provided that notwithstanding the provisions of Section 2.2 of this act, the appropriations made in this item for equipment items shall be available for expenditure only during the 1977–78 and 1978–79 fiscal years.	
419.1	—For capital outlay, Trustees of the California State University and Colleges, subject to the approval of the State Public Works Board, payable from the Capital Outlay Fund for Public Higher Education	2,000,000

Item		Amount
Schedule:		
State Polytechnic University, Pomona:		
(1) Land acquisition	2,000,000	
provided, that funds appropriated in this item shall not be allocated by the State Public Works Board unless the board determines that such property is certain to be developed in a manner that is incompatible with the campus, and that the Chancellor's Office has made every reasonable attempt to trade existing state-owned property, at California State Polytechnic University, Pomona, for a portion of the property necessary to provide an adequate buffer zone between the campus and such potential incompatible development.		
420—For capital outlay, Trustees of the California State University and Colleges, minor projects to be allocated to the California State University and Colleges, payable from the Capital Outlay Fund for Public Higher Education		4,400,000
423—For capital outlay, California Maritime Academy, subject to the approval of the State Public Works Board, payable from the Capital Outlay Fund for Public Higher Education, notwithstanding the provisions of Sections 66100 and 66102 of the Education Code		2,143,560
Schedule:		
(1) Construct and equip corporation yard phase II	237,000	
(2) Preliminary plans, working drawings, and construct site development, roads, walks, area lighting, and parking	712,260	
(3) Working drawings, construct and equip welding laboratory facility	294,400	
(4) Preliminary plans, working drawings, construct and equip alterations to kitchen and dining facility	691,250	
(5) Working drawings and construct wharf and boathouse	204,150	
(6) Planning funds for alterations for radar simulation laboratory	4,500	

Item		Amount
424—For capital outlay, California Maritime Academy, minor projects to be allocated to the Maritime Academy, payable from the Capital Outlay Fund for Public Higher Education, notwithstanding the provisions of Sections 66100 and 66102 of the Education Code		62,700
425—For capital outlay, Board of Governors of the California Community Colleges, to be allocated, subject to the prior approval of the State Public Works Board, by the Board of Governors of the California Community Colleges to community college districts for expenditure by such districts, as set forth in the schedule below, payable from the Capital Outlay Fund for Public Higher Education		32,329,300
Schedule:		
College of the Sequoias Community College District, College of the Sequoias:		
(34) Working drawings, construct and equip remodel science wing of administration building	187,300	
Compton Community College District, Compton College:		
(35) Working drawings and construct remodel classrooms	51,700	
Palomar Community College District, Palomar College:		
(36) Working drawings, and construct art and music building addition	431,700	
Sonoma County Junior College District, Santa Rosa Junior College:		
(37) Working drawings, and construct trade technical center	2,178,900	
(38) Working drawings and construct music building, Phase I	768,100	
Contra Costa Community College District, Los Medanos College:		
(39) Working drawings and construct administration of justice building	210,900	

Item		Amount
	Santa Monica Community College District, Santa Monica City College·	
(40)	Working drawings and construct business building	2,328,600
	Riverside Community College District, Riverside City College:	
(41)	Working drawings, construct and equip cosmetology addition	205,700
	Merced Community College District, Merced College·	
(42)	Working drawings for allied health center	23,900
	Sweetwater Community College District, Southwestern College:	
(43)	Construct photography addition	200,100
	Santa Monica Community College District, Santa Monica City College:	
(44)	Equip music addition	33,800
	San Jose Community College District, Evergreen Valley College:	
(45)	Working drawings and construct health and science building	2,433,300
	Coast Community College District, Golden West College:	
(47)	Working drawings and construct educational unit No. 2A.....	1,449,500
	Napa Community College District, Napa College·	
(48)	Working drawings and construct health occupation, communication and resource facility.....	2,634,400
	Cabrillo Community College District, Cabrillo College:	
(49)	Working drawings and construct music facilities	1,047,700

Item	Amount
Contra Costa Community College District, Los Medanos College:	
(50) Working drawings, construct and equip tutorial laboratories addition	54,100
Sweetwater Community College District, Southwestern College:	
(51) Working drawings and construct classroom building	453,000
Marin Community College District, Indian Valley Colleges:	
(52) Working drawings, construct and equip science technology classroom and laboratory addition	409,800
Peralta Community College District, Merritt College:	
(53) Working drawings and construct horticulture building	753,700
San Diego Community College District, San Diego Mesa College:	
(54) Working drawings and construct art addition	533,000
Sierra Joint Community College District, Sierra College:	
(55) Working drawings for humanities addition	26,400
Marin Community College District, College of Marin:	
(56) Working drawings, construct and equip landscape management facility	134,900
Los Angeles Community College District, Los Angeles Harbor College:	
(57) Construct nurses training building	323,600
Los Angeles Community College District, East Los Angeles College:	
(58) Working drawings for vocational building	67,800

Item	Amount
Santa Barbara Community College District, Santa Barbara City College:	
(59) Construct physical science addition and remodeling	549,600
(60) Working drawings and construct campus center addition and remodeling	308,600
Palomar Community College District, Palomar College:	
(62) Working drawings for library building	91,200
San Jose Community College District, San Jose City College:	
(63) Working drawings and construct multidiscipline classroom, laboratory and learning center	949,600
College of the Sequoias Community College District, College of the Sequoias:	
(64) Working drawings and construct instructional media center	488,800
Los Angeles Community College District, Los Angeles Pierce College:	
(65) Working drawings and construct library building	300,700
Imperial Community College District, Imperial Valley College:	
(66) Working drawings and construct water treatment addition and alterations	76,800
Marin Community College, Indian Valley Colleges:	
(67) Equip physical education building, phase A	700
College of the Sequoias Community College District, College of the Sequoias:	
(68) Equip little theater	57,400

Item		Amount
	San Jose Community College District, San Jose City College:	
(69)	Equip remodel existing buildings	56,000
	Cerritos Community College District, Cerritos College:	
(70)	Equip auto technology center, phase I	310,400
	Sierra Joint Community College District, Sierra College:	
(71)	Working drawings and construct early childhood education center	256,500
	Sweetwater Community College District, Southwestern College:	
(72)	Working drawings, construct, and equip administration and business building	843,000
	Contra Costa Community College District, Diablo Valley College:	
(73)	Working drawings, construct, and equip little theater addition and business education remodeling	279,800
	Coast Community College District, Orange Coast College:	
(74)	Working drawings and construct parent preschool educational building	399,400
	West Valley Joint Community College District, Mission College:	
(75)	Working drawings for environmental and applied sciences	339,100
	Redwood Joint Community College District, College of the Redwoods:	
(76)	Construct science laboratories	426,300
	Kern Community College District, Porterville College:	
(77)	Working drawings and construct library instructional materials center	435,100

Item		Amount
	Butte Community College District, Butte College:	
(78)	Construct agriculture mechanics building	170,200
	State Center Community College District, Reedley College:	
(79)	Construct and equip agriculture instructional farm, phase I	270,300
	Rancho Santiago Community College District, Orange Canyon Education Center:	
(80)	Site acquisition	2,375,900
	provided, that the funds appropriated for this project may not be augmented by the State Public Works Board.	
	Rancho Santiago Community College District, Santa Ana College:	
(81)	Site acquisition, phase I	206,800
	Marin Community College District, Indian Valley Colleges:	
(82)	Construct physical education building phase A	380,200
	Ventura County Community College District, Oxnard College:	
(83)	Working drawings and construct physical education building, phase A	1,136,800
(84)	Working drawings and construct outdoor physical education facilities	614,000
	West Valley Joint Community College District, Mission College:	
(85)	Working drawings and construct physical education facilities, phase II	397,500
	Peralta Community College District, Feather River College:	
(86)	Working drawings and construct outdoor physical education facilities	509,000

Item		Amount
	Palomar Community College District, Palomar College:	
(87)	Construct educational theater .	1,372,200
	College of the Sequoias Community College District, College of the Sequoias:	
(88)	Construct little theater	684,800
	State Center Community College District, Reedley College:	
(89)	Working drawings and construct performing arts building, unit "B"	1,014,400
	Imperial Community College District, Imperial Valley College:	
(90)	Construct and equip food service remodeling	86,300

provided that notwithstanding the provisions of Section 2 2 of this act, the appropriations made in this item for equipment shall be available for expenditure only during the 1977–78 and 1978–79 fiscal years.

GENERAL GOVERNMENT

General Administration

426—For capital outlay, Military Department			77,234
Schedule:			
(a) Project planning, working drawings and supervision of construction financed from federal funds		22,234	
(b) Minor capital outlay		55,000	
427—For project planning, to be allocated by the Department of Finance, to state agencies			200,000

The amount appropriated in this item is not to be construed as a commitment by the Legislature as to the amount of capital outlay funds it will appropriate in any future fiscal year.

Notwithstanding the provisions of Section 2.2, the amount appropriated by this item is available for expenditure during the 1977–78, 1978–79 and 1979–80 fiscal years.

STATE CONSTRUCTION BOND ACT PROGRAM

SEC. 2.4A. The following sums of money, or so much thereof as

Item		Amount

may be necessary, are hereby appropriated for expenditure during the 1977–78, 1978–79, and 1979–80 fiscal years for expenditure only for the programs contemplated by the State Construction Program Bond Act of 1955, the State Construction Program Bond Act of 1958, the State Construction Program Bond Act of 1962, or the State Construction Program Bond Act of 1964. All such appropriations shall be paid out of the State Construction Program Fund.

427.1	—For capital outlay, Board of Governors of the California Community Colleges, to be allocated, subject to the prior approval of the State Public Works Board, by the Board of Governors of the California Community Colleges to community college districts for expenditure by such districts, as set forth in the schedule below, payable from the State Construction Program Fund		739,600
	Schedule:		
	West Valley Joint Community College District, Mission College:		
(1)	Working drawings and construct site development and utilities, phase III.....	349,400	
	Redwood Joint Community College District, College of the Redwoods:		
(2)	Construct sewer interceptor...	26,700	
	Community Colleges—systemwide:		
(2.1)	Reserve for augmentation for excess costs and increases in costs, in accordance with Section 16354 of the Government Code, to be allocated to projects in this item incurring such costs	30,100	
	West Valley Joint Community College District, Mission College:		
(3)	Equip multidiscipline classroom and laboratory building, phase I ..	333,400	
	provided, that notwithstanding the provisions of Section 2.4A of this act, the appropriations made in this item for equipment shall be available for expenditure only during the 1977–78 and 1978–79 fiscal years.		

SEC. 2.4B. The following sums of money, or so much thereof as may be necessary, are hereby appropriated for expenditure during

Item Amount

the 1977–78, 1978–79, and 1979–80 fiscal years for expenditure only for the programs contemplated by the Junior College Construction Program Bond Act of 1968. All such appropriations shall be paid out of the State Construction Program Bond Fund.

427.2—For capital outlay, Board of Governors of the California Community Colleges, to be allocated, subject to the prior approval of the State Public Works Board, by the Board of Governors of the California Community Colleges to community college districts for expenditure by such districts, as set forth in the schedule below, payable from the State Construction Program Fund 609,000

Schedule:

West Valley Joint Community College District, Mission College:

(3.1) Equip multidiscipline classroom and laboratory building, phase I .. 609,000

provided, that notwithstanding the provisions of Section 2.4B of this act, the appropriations made in this item for equipment shall be available for expenditure only during the 1977–78 and 1978–79 fiscal years

COMMUNITY COLLEGE CONSTRUCTION: BOND ACT PROGRAM; CAPITAL OUTLAY FUND

SEC. 2.4C The following sums of money, or so much thereof as may be necessary, are hereby appropriated for expenditure during the 1977–78, 1978–79, and 1979–80 fiscal years for expenditure only for the programs, which have been approved pursuant to the provisions of the Community College Construction Act of 1967 (Chapter 4 (commencing with Section 81800) of Part 49 of Division 7 of Title 3 of the Education Code) and contemplated by the Community College Construction Program Bond Act of 1972 (Sections 1 to 10, inclusive, of Chapter 937 of the Statutes of 1971); except that any appropriation made by this section for construction or working drawings and construction that has not been approved by the State Public Works Board on or before June 30, 1978, shall revert as of that date. All such appropriations shall be paid out of the State Construction Program Fund. The provisions of Section 2.2 of this act, and not this section, shall apply to Item 427.6.

427.3—For capital outlay, Board of Governors of the California Community Colleges, to be allocated, subject to the prior approval of the State Public Works Board, by the Board of Governors of the California Community Colleges to community college districts for expenditure by such districts as set forth in the schedule below, payable from

Item			Amount
	the State Construction Program Fund		4,851,400
	Schedule:		
	West Valley Joint Community College, Mission College:		
(4)	Equip central utility plant and maintenance	36,800	
(5)	Equip initial complement of library books	202,200	
	Sonoma County Junior College District, Santa Rosa Junior College:		
(6)	Equip environmental science building	129,400	
	Cerritos Community College District, Cerritos College:		
(7)	Equip remodel old paramedical areas	54,900	
	Contra Costa Community College District, Los Medanos College:		
(8)	Equip allied health and counseling remodel	18,100	
	Sweetwater Community College District, Southwestern College:		
(9)	Equip technology building No. 1	99,600	
	Peralta Community College District, Merritt College:		
(10)	Equip remodel old library	39,900	
	Peralta Community College District, College of Alameda:		
(11)	Equip airport facilities addition..	33,500	
	Foothill-DeAnza Community College District, DeAnza College:		
(12)	Equip classroom building	18,600	
	Lassen Community College District, Lassen College:		
(13)	Equip remodel old science laboratories	54,500	

Item	Amount
Riverside Community College District, Riverside City College:	
(14) Equip auto upholstery and motorcycle repair shop	35,400
Chaffey Community College District, Chaffey College:	
(15) Equip vocational education building	190,300
Coast Community College District, Golden West College:	
(16) Equip educational unit No. 1	176,400
(17) Equip health science addition No. 1	55,000
Coast Community College District, Orange Coast College.	
(18) Equip business educational addition	45,700
(19) Equip chemistry building	219,700
Palomar Community College District, Palomar College:	
(20) Equip life and earth science building	40,300
(21) Equip industrial technology building	258,400
Merced Community College District, Merced College:	
(22) Equip welding and metal technology building	59,300
Sierra Joint Community College District, Sierra College:	
(23) Equip metal shop addition	80,700
Santa Monica Community College District, Santa Monica City College:	
(24) Equip library and instructional materials center	433,300
Los Angeles Community College District, Los Angeles City College:	
(25) Working drawings and construct fire and safety remodel	248,600

Item		Amount
	Marin Community College District, College of Marin:	
(26)	Working drawings and construct removal of architectural barriers	69,900
	Riverside Community College District, Riverside City College:	
(27)	Working drawings and construct elevator to technology "B" building, phase II	57,900
	San Diego Community College District, San Diego City College:	
(28)	Working drawings and construct remodeling, phase III	149,900
	Santa Barbara Community College District, Santa Barbara City College:	
(29)	Working drawings and construct remodel administration building	539,400
	Los Rios Community College District, Cosumnes River College:	
(30)	Construct and equip conversion of business to science	80,100
	Peralta Community College District, Laney College:	
(31)	Working drawings and construct conversion of laboratories A-202 and F-254	74,800
	Sonoma County Junior Community College District, Santa Rosa Junior College:	
(32)	Working drawings and construct remodel Analy Hall	800,000
	San Jose Community College District, San Jose City College:	
(33)	Working drawings and construct remodel existing buildings	387,000
	Community Colleges—Systemwide:	
(33.1)	Reserve for augmentation for excess costs and increases in costs,	

Item		Amount
	in accordance with Section 16354 of the Government Code, to be allocated to projects in this item incurring such costs	161,800
	provided, that notwithstanding the provisions of Section 2.4C of this act, the appropriations made in this item for equipment shall be available for expenditure only during the 1977–78 and 1978–79 fiscal years	
427 6	—For capital outlay, Board of Governors of the California Community Colleges, to be allocated, subject to the prior approval of the State Public Works Board, by the Board of Governors of the California Community Colleges to community college districts for expenditure by such districts, as set forth in the schedule below, payable from the Capital Outlay Fund for Public Higher Education	3,249,200
	Schedule:	
	Sweetwater Community College District, Southwestern College:	
	(1) Working drawings, construct, and equip maintenance addition.....	211,000
	Glendale Community College District, Glendale College.	
	(2) Working drawings and construct remodel administration building..	1,048,600
	Sweetwater Community College District, Southwestern College:	
	(3) Construct remodel chemistry and electronic laboratories	167,600
	Lassen Community College District, Lassen College	
	(4) Working drawings and construct administration building	715,600
	Coast Community College District, Orange Coast College·	
	(5) Working drawings and construct technology area renovation	198,300

Item		Amount
	Yuba Community College District, Yuba College:	
(6)	Working drawings, construct, and remodel building "800"	119,700
	Marin Community College District, Indian Valley Colleges:	
(7)	Construct and equip physical education building, phase B	184,200
	San Luis Obispo County Community College District, Cuesta College:	
(8)	Construct and equip physical education building, phase "C"	604,200

STATE BEACH, PARK, RECREATIONAL, AND HISTORICAL FACILITIES BOND ACT OF 1964 PROGRAM

SEC. 2.5. The following sums of money, or so much thereof, as may be necessary, unless otherwise provided herein, are hereby appropriated for expenditure during the 1977–78, 1978–79 and 1979–80 fiscal years. Appropriations for studies, planning, and working drawings shall be available for expenditure only during the 1977–78 fiscal year. All such appropriations, unless otherwise herein provided, shall be paid out of the State Beach, Park, Recreational and Historical Facilities Fund of 1964.

CAPITAL OUTLAY

RESOURCES

428—For capital outlay, Department of Parks and Recreation, for purposes set forth in subdivision (b) of Section 5096.15 of the Public Resources Code, payable from the State Beach, Park, Recreational, and Historical Facilities Fund of 1964		1,116,052
Schedule:		
(a) Emma Wood SB—camping and day use construction	135,250	
(c) San Onofre SB—day use, overnight, administrative facilities construction	940,450	
(d) Project planning	40,352	

Reappropriation

429—Notwithstanding any other provisions of law, the undisbursed balances, on the effective date of this

Item Amount

act, of the appropriations provided in the following citations, are reappropriated for the purposes (and subject to the limitations) provided in such appropriations (and any reappropriations), and shall be available for expenditure until June 30, 1978:

(a) Item 362(a), Budget Act of 1965
Land acquisition

(b) Item 423(t), Budget Act of 1966
Santa Monica Mountains—land acquisition

(c) Item 423(c), Budget Act of 1969
Refugio State Beach, water supply system, for development

(e) Item 322(cx), Budget Act of 1972 as added by Chapter 1340, Statutes of 1972, relocation expenses

(f) Item 323A(a), Budget Act of 1972 as added by Chapter 995, Statutes of 1972
San Onofre State Beach, for development

(g) Item 367(b), Budget Act of 1973
San Onofre State Beach, for development

(h) Item 367(e), Budget Act of 1973
Relocation costs

(j) Item 381.9(a), Budget Act of 1975
El Capitan State Beach, development

(k) Section 2.5A, Item 403 1A, Budget Act of 1976, as added by Chapter 1325, Statutes of 1976—Acquisition and development of South County Park, County of San Joaquin, for the state park system

LOCAL ASSISTANCE

Reversions

430—As of June 30, 1977, the unencumbered balance of the appropriations made by the following items shall revert to the unappropriated balance of the State Beach, Park, Recreational and Historical Facilities Fund of 1964.

Item		Amount
(a)	Item 341(s) Budget Act of 1967: County of Orange, Fullerton Dam Regional Park	
(b)	Item 418(o) Budget Act of 1969: County of Mendocino, Low Gap Regional Park	
(c)	Item 418(w) Budget Act of 1969: City of Lincoln, McBean Memorial Park	
(d)	Item 420(g) Budget Act of 1969: County of Sonoma, Mount Hood County Park	
(e)	Item 349.1(m) Budget Act of 1970: County of Imperial, Niland Marina	
(f)	Item 349.1(EEE) Budget Act of 1970: County of Sutter, Feather River	
(g)	Item 349.1(PPP) Budget Act of 1970: City of Modesto, Tuolumne River	
(h)	Item 311(m) Budget Act of 1971: County of Imperial, Red Hill Marina	
(i)	Item 311(v) Budget Act of 1971: County of Mariposa, Regional Park	
(j)	Item 311(FF) Budget Act of 1971: County of Plumas, Taylorsville	
(k)	Item 311(II) Budget Act of 1971: County of San Benito, Bolado Park	

RECREATION AND FISH AND WILDLIFE ENHANCEMENT BOND ACT PROGRAM

SEC. 2.6. The following sums of money, or so much thereof as may be necessary, are hereby appropriated for expenditure during the 1977–78, 1978–79, and 1979–80 fiscal years for expenditure only for programs contemplated by the Recreation and Fish and Wildlife Enhancement Bond Act, except that appropriations for studies, planning, working drawings and minor capital outlay shall be available for expenditure only during the 1977–78 fiscal year. All such appropriations shall be paid out of the Recreation and Fish and Wildlife Enhancement Fund.

CAPITAL OUTLAY

RESOURCES

431—For capital outlay, Wildlife Conservation Board,

Item		Amount
Department of Fish and Game, for purposes of the Recreation and Fish and Wildlife Enhancement Bond Act, payable from the Recreation and Fish and Wildlife Enhancement Fund		303,500
Schedule:		
(a) Mt. Whitney Hatchery, modernization of broodstock facilities	303,500	
432—For minor capital outlay, Department of Navigation and Ocean Development, for purposes of the Recreation and Fish and Wildlife Enhancement Bond Act, payable from the Recreation and Fish and Wildlife Enhancement Fund		50,000
433—For capital outlay, Department of Parks and Recreation, for purposes of the Recreation and Fish and Wildlife Enhancement Bond Act, payable from the Recreation and Fish and Wildlife Enhancement Fund		1,838,483
Schedule:		
(a) Lake Oroville SRA—Lime Saddle day use construction	602,469	
(b) Silverwood Lake SRA—campground and access road, working drawings and construction	1,121,390	
(c) Project planning	114,624	

Reappropriation

434—Notwithstanding any other provisions of law, the undisbursed balances, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes (and subject to the limitations) provided in such appropriations (and any reappropriations), and shall be available for expenditure until June 30, 1978:

(a) Item 327(g), Budget Act of 1972 Sawpit Canyon Area, for development
(b) Item 375(b), Budget Act of 1973 Perris Reservoir, for development
(c) Item 375(c), Budget Act of 1973 Silverwood Lake, West Fork and Mesa Areas, for development
(d) Item 405(a), Budget Act of 1974 Bethany Reservoir, tree planting
(e) Item 405(e), Budget Act of 1974 Perris Reservoir, for development

Item		Amount
(f) Item 405(f), Budget Act of 1974 Ritter Canyon, for development		
(g) Item 405(g), Budget Act of 1974 San Luis Reservoir State Recreation Area, for development		
(h) Item 405(h), Budget Act of 1974 Silverwood Lake State Recreation Area, for development		

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

SEC. 2.8. The following sums of money, or so much thereof as may be necessary, unless otherwise provided herein, are hereby appropriated for expenditure during the 1977–78, 1978–79 and 1979–80 fiscal years. Appropriations for studies, planning, and working drawings shall be available for expenditure only during the 1977–78 fiscal year. All such appropriations shall be paid out of the State Beach, Park, Recreational, and Historical Facilities Fund of 1974.

CAPITAL OUTLAY

RESOURCES

435—For capital outlay, Department of Parks and Recreation, for purposes set forth in subdivisions (b), (c), and (e) of Section 5096.85 of the Public Resources Code, payable from the State Beach, Park, Recreational, and Historical Facilities Fund of 1974		$4,574,610
Schedule:		
(a) Bale Grist Mill SHP—grist mill restoration	402,215	
(b) Bothe-Napa SHP—campground working drawings and construction	724,453	
(d) Columbia SHP—Fallon Hotel working drawings and research	129,000	
(e) Emma Wood SB—camping and day use construction	644,977	
(f) Empire Mine—research, working drawings, and construction	273,768	
(g) Fort Ross SHP—Kuskov House restoration, interpretation, archeology	509,625	

Item		Amount
	(i) Mount San Jacinto SP—Stone Creek water supply study	10,000
	(j) Old Sacramento SHP—Railroad Museum, working drawings and construction	6,386,300
	provided, that no funds allocated to this category may be encumbered for a specific artifact acquisition program or the acquisition of any collection of artifacts costing in excess of $20,000 for display in either the passenger station or the historic building unless such program or acquisition has been approved by the State Public Works Board.	
	(m) San Onofre SB—day use, overnight, administrative facilities construction	2,646,620
	(n) Statewide—archaeological and historical research	120,000
	(o) Project planning	1,679,652
	(p) Point Mugu SP—continuing development working drawings	200,000
	(q) Topanga SP—trails, sanitary facilities, parking, working drawings and construction	750,000
	(r) Columbia SHP—Fallon Theater—research and working drawings	78,000
	(s) State Indian Museum—research and program planning	20,000
435.5	—For capital outlay, Department of Parks and Recreation, for purposes set forth in subdivision (c) of Section 5096.85 of the Public Resources Code, for expenditure during the 1975–76, 1976–77, 1977–78, and 1978–79 fiscal years, payable from the State Beach, Park, Recreational, and Historical Facilities Fund of 1974	280,000
	Schedule:	
	(a) Woodland Opera House: restoration and related new construction	280,000
	provided, that the amount of the funds appropriated by this item shall be reduced by the amount of the funds that did not revert pursuant to Item 436.5(c) of this act; and provided, further, that such restoration and reconstruction shall be subject to the following conditions:	

Item Amount

(1) Title to the Woodland Opera House and adjacent land, included in Lot 5 of Block 2, as shown on the map of the former Town of Woodland, is tranferred to the state at no cost to the state, and inclusion of such lands in the state park system is approved by the State Park and Recreation Commission.

(2) Funds appropriated by this item shall not be available for encumbrance until the project has been approved by the federal government for matching funds under the National Historic Preservation Act of 1966 (P.L. 89-665) and such matching funds are allocated to the project by the state.

(3) Funds appropriated pursuant to this item shall not be available for encumbrance until the City of Woodland submits evidence satisfactory to the Department of Parks and Recreation that the city has available labor, materials, and funds equal to the sum of seventy thousand dollars ($70,000) which the city will expend on the project and until the city transfers title to lands worth at least $50,000 (other than the lands mentioned in paragraph (1), above) to the state at no cost to the state.

(4) Funds appropriated by this item shall not be available for encumbrance until the City of Woodland enters into an agreement with the state for the operation, care, and maintenance of the Woodland Opera House and related facilities on behalf of the state.

Reappropriation

436—Notwithstanding any other provisions of law, the undisbursed balances, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes (and subject to the limitations) provided in such appropriations (and any reappropriations), and shall be available for expenditure until June 30, 1978:

(a) Department of Parks and Recreation:

(1) Item 379(a), Budget Act of 1973
Stanford Home, land acquisition

(2) Item 379(c), Budget Act of 1973

Item		Amount
	Century Ranch, land acquisition	
(4)	Item 379(g), Budget Act of 1973 Old Town San Diego, land acquisition	
(6)	Section 9.3(a), Chapter 1064, Statutes of 1973 Burton Creek Area, land acquisition	
(7)	Item 410(a), Budget Act of 1974 Historical restoration	
(8)	Item 410(b), Budget Act of 1974 Border Field (Tijuana River Beach), for development	
(9)	Item 410.1(a), Budget Act of 1974 Old Sacramento State Historic Park, State Railroad Museum, for working drawings and construction	
(10)	Item 410.2(a), Budget Act of 1974 Lands located between Newport Beach and Laguna Beach for acquisition	
(11)	Item 410.7B(b), Budget Act of 1974 as added by Chapter 1484, Statutes of 1974 Patricks Point State Park, land acquisition	
(12)	Item 410.7B(c), Budget Act of 1974 as added by Chapter 1484, Statutes of 1974 Pygmy Forest Ecological Staircase, land acquisition	
(13)	Item 410.7B(d), Budget Act of 1974 as added by Chapter 1484, Statutes of 1974 Van Damme Beach State Park, land acquisition	
(14)	Item 410.7B(f), Budget Act of 1974 as added by Chapter 1484, Statutes of 1974 Pomponio State Beaches, land acquisition	

Item		Amount
(15)	Item 410.7B(g), Budget Act of 1974 as added by Chapter 1484, Statutes of 1974 Pescadero State Beach, land acquisition	
(16)	Item 410.7B(h), Budget Act of 1974 as added by Chapter 1484, Statutes of 1974 Año Nuevo State Reserve, land acquisition	
(17)	Item 410.7B(i), Budget Act of 1974 as added by Chapter 1484, Statutes of 1974 Julia P. Burns State Park, land acquisition	
(18)	Item 410.7B(k), Budget Act of 1974 as added by Chapter 1484, Statutes of 1974 El Capitan State Beach, land acquisition	
(19)	Item 410.7B(*l*), Budget Act of 1974 as added by Chapter 1484, Statutes of 1974 Leo Carrillo State Beach, land acquisition	
(20)	Item 410.7B(m), Budget Act of 1974 as added by Chapter 1484, Statutes of 1974 Malibu Lagoon State Beach, land acquisition	
(21)	Item 410.7B(n), Budget Act of 1974 as added by Chapter 1484, Statutes of 1974 San Elijo-Cardiff State Beaches, land acquisition	
(22)	Item 410.7B(o), Budget Act of 1974 as added by Chapter 1484, Statutes of 1974 Border Field State Park, land acquisition	
(23)	Item 410.7B(p), Budget Act of 1974 as added by Chapter 1484, Statutes of 1974 Santa Monica Mountains, Topanga Canyon land acquisition	
(24)	Item 410.7B(r), Budget Act of 1974 as added by Chapter	

Item		Amount
	1484, Statutes of 1974 Cuyamaca Rancho State Park, land acquisition	
(25)	Item 410.7B(s), Budget Act of 1974 as added by Chapter 1484, Statutes of 1974 Mount Diablo State Park, land acquisition	
(26)	Item 410.7B(t), Budget Act of 1974 as added by Chapter 1484, Statutes of 1974 Cosumnes River State Park Project, land acquisition provided, that not more than $1,000,000 of the undisbursed balance of the appropriation for this project is hereby reappropriated.	
(27)	Item 410.7B(u), Budget Act of 1974 as added by Chapter 1484, Statutes of 1974 Delta Channel Islands Project, land acquisition	
(28)	Item 410.7B(w), Budget Act of 1974 as added by Chapter 1484, Statutes of 1974 Anza-Borrego Desert State Park, Coyote Canyon, land acquisition	
(29)	Item 410.7B(x), Budget Act of 1974 as added by Chapter 1484, Statutes of 1974 Bothe-Napa, land acquisition	
(30)	Item 410.7B(z), Budget Act of 1974 as added by Chapter 1484, Statutes of 1974 South Carlsbad State Beach, land acquisition	
(31)	Item 410.7B(aa), Budget Act of 1974 as added by Chapter 1484, Statutes of 1974 Bodie State Historic Park, land acquisition	
(32)	Item 410.7B(cc), Budget Act of 1974 as added by Chapter 1484, Statutes of 1974 Big Basin Redwoods State Park, land acquisition	

Item		Amount
(33)	Item 410.7B(dd), Budget Act of 1974 as added by Chapter 1484, Statutes of 1974 Horr Ranch Project, land acquisition	
(34)	Item 410.7B(gg), Budget Act of 1974 as added by Chapter 1484, Statutes of 1974 Columbia State Historic Park, land acquisition	
(35)	Item 410.7B(hh), Budget Act of 1974 as added by Chapter 1484, Statutes of 1974 Old Town San Diego State Park, land acquisition	
(36)	Item 410.7B(ii), Budget Act of 1974 as added by Chapter 1484, Statutes of 1974 Carmel River Project, land acquisition	
(37)	Item 410.7B(jj), Budget Act of 1974 as added by Chapter 1484, Statutes of 1974 San Luis Island, land acquisition	
(39)	Item 410.7M(b), Budget Act of 1974 as added by Chapter 1518, Statutes of 1974 Henry Cowell Redwoods State Park, development	
(40)	Item 410.3H(a), Chapter 1514, Statutes of 1974 Morro Bay State Park, approximately 710 acres adjacent to state-owned wetlands in the Morro Bay estuary, land acquisition	
(42)	Item 387.4(c), Budget Act of 1975 San Onofre State Beach: working drawings and hookup fees for sewage system and sanitary facilities	
(43)	Item 387.4(d), Budget Act of 1975 Bothe-Napa Valley State Park: Bale Mill, restoration and interpretation research	

Item Amount

(44) Item 387.4(k), Budget Act of 1975
San Juan Bautista State Historic Park: Plaza Hotel, working drawings

(45) Item 387.4(b), Budget Act of 1975
Plumas-Eureka State Park: Construct water supply line; and in addition, the undisbursed balance of the appropriation for this project is hereby reappropriated for expenditure for the replacement of fire hydrants in, and for necessary modifications of the water system of, the town of Johnsville.

(46) Item 410.7B(a), Budget Act of 1974, as added by Chapter 1484, Statutes of 1974
Project planning and acquisition costs.

(b) Wildlife Conservation Board:

(1) Item 387.5(e), Budget Act of 1975 Project planning

436.5—As of June 30, 1977, the unencumbered balance of the appropriations made by the following items shall revert to the unappropriated balance of the State Beach, Park, Recreational, and Historical Facilities Fund of 1974.

(a) Item 411(*l*), Budget Act of 1976, San Gregorio State Beach, construct day-use area

(b) Item 411.2c(h), Budget Act of 1976, as added by Chapter 350, Statutes of 1976, San Gregorio State Beach, upland land acquisitions

(c) Item 411.2B, Budget Act of 1976, as added by Chapter 174, Statutes of 1976, Woodland Opera House, restoration and related new construction

Item		Amount
	LOCAL ASSISTANCE	
	RESOURCES	
437—For project review for purposes set forth in subdivision (a) of Section 5096.85 of the Public Resources Code, Department of Parks and Recreation, for expenditure during the 1977–78 fiscal year, payable from the State Beach, Park, Recreational and Historical Facilities Fund of 1974		203,084
438—For grants to counties, cities, cities and counties, and districts, as defined in Section 5096.84, pursuant to subdivision (a) of Section 5096.85, of the Public Resources Code, Department of Parks and Recreation, payable from the State Beach, Park, Recreational, and Historical Facilities Fund of 1974		6,604,356
Unless otherwise provided herein, funds appropriated for each of the local grant projects in this item are for acquisition, development, or both. Schedule:		
Projects in Alameda County		
(1) City of Union City, Arroyo Day Camp	35,000	
(2) City of Union City, Old Alameda Creek Trail	35,000	
(2.1) County of Alameda, Old Murray School House restoration	4,976	
(2.2) County of Alameda, McConaghy House Restoration	1,976	
(2.3) City of Union City, Contempo Park	47,912	
Projects in Alpine County		
(3) County of Alpine, Alpine County Rifle Range	10,000	
Projects in Calaveras County		
(4) County of Calaveras, Murphys Community Park	3,000	
Projects in Colusa County		
(4.3) City of Colusa, Colusa IOOF Building	5,000	
Projects in Contra Costa County		
(4.6) County of Contra Costa, Monte Vista Community Park	101,560	

Item	Amount
Projects in Del Norte County	
(5) County of Del Norte, Hunter Creek Park	5,300
(6) County of Del Norte, Pyke Field	66,400
(6.1) Mark Twain Union Elementary School District, Mark Twain School recreation facilities	12,500
Projects in Fresno County	
(7) County of Fresno, Lost Lake II	82,788
(7.1) City of Kerman, Kerckhoff Park	19,325
Projects in Humboldt County	
(8) City of Arcata, Redwood Park and Forest	44,402
(9) City of Ferndale, Ferndale City Park	17,677
(10) County of Humboldt, Freshwater Park	40,000
Projects in Inyo County	
(11) County of Inyo, Diaz Lake	30,000
(12) County of Inyo, Independence tennis courts	23,000
(13) County of Inyo, Mill Pond Recreation area	45,000
Projects in Kern County	
(14) City of Bakersfield, Castle Park	6,000
(15) City of Bakersfield, Jefferson Park	13,500
(16) City of Bakersfield, Jastro Park	9,000
(17) City of Bakersfield, Lowell Park	15,000
(18) City of Bakersfield, University Park	43,000
(19) Buttonwillow Union School District, Buttonwillow School handball courts	4,902
(20) City of California City, California City Park	4,761
(21) County of Kern, Buena Vista Aquatic Recreation Area	23,624
(22) County of Kern, Delano Memorial Park	42,144
(23) County of Kern, Franklin Field	10,600
(24) County of Kern, Ford City Park	13,900
(25) County of Kern, Kern County golf facilities	48,469

Item	Amount
(26) County of Kern, Kern River County Park	97,700
(27) County of Kern, Lake Isabella	24,000
(28) County of Kern, Metropolitan Recreation Center	15,000
(29) County of Kern, North Edwards Park	21,400
(30) County of Kern, Orangewood Park	24,000
(31) County of Kern, Rosamond Park	19,800
(32) County of Kern, Three Community Park	30,446
(33) County of Kern, Wilkins Park	7,400
(34) Kern Union High School District, Foothill High swimming pool	100,072
(35) Tehachapi Recreation and Park District, Brite Valley Aquatic Recreation Area	23,651
(36) West Kern Community College District, City of Taft, and West Side Recreation and Park District, East Kern Street Community Park	49,238
(36.1) Panama Union School District, Fred L. Thompson Jr. High recreation facilities	18,707
Projects in Kings County	
(36.2) City of Hanford, Hanford Community Park	20,000
Projects in Lake County	
(36.3) County of Lake, Upper Lake Park	13,200
Projects in Lassen County	
(36.4) City of Susanville, Emerson Lake Golf Course	7,000
(36.5) City of Susanville, Riverside Park	45,500
Projects in Los Angeles County	
(37) City of Bellflower, Bellflower Municipal Golf Course	60,000
(38) City of Bellflower, Caruthers Park	70,000
(39) City of Bellflower, Gymkhana	15,000
(40) City of Bell Gardens, Bell Gardens Municipal Park	88,707

Item	Amount
(41) City of Bradbury, Bradbury Equestrian Trail	10,000
(42) City of Compton, city parks improvements program	238,841
(43) City of Duarte, Beardslee Park	6,855
(44) City of Duarte, Duarte Park	28,265
(45) City of Duarte, Duarte-Bradbury Trail	12,265
(46) City of Hawthorne, Bicentennial Park	119,280
(47) City of West Covina, Del Norte Park	15,000
(47.1) City of Baldwin Park, Ledford Park site	89,972
(47.2) City of Cudahy, Clara Street Park	24,875
(47.3) City of Cudahy, Cudahy Park lighting	28,702
(47.4) County of Los Angeles, Nicholas Canyon Beach	200,000
(47.5) County of Los Angeles, Cabrillo Beach	145,000
(47.6) City of Monrovia, Canyon School Tot Lot	40,000
(47.7) City of Monterey Park, Sequoia Park	154,904
(47.8) City of Pico Rivera, Smith Park	47,097
(47.9) City of Rolling Hills, Dapple Grey Park	10,000
(47.10) City of Santa Monica, Los Amigos Park	7,000
Projects in Madera County	
(48) Raymond-Knowles Union School District, Raymond Granite recreation facilities	10,000
(49) Coarsegold Union Elementary School District, Coarsegold Community Recreation Area	5,000
Projects in Marin County	
(50) County of Marin, Loma Verde open-space access and trail	4,182
(50.1) Marinwood Community Services District, Big Rock Ridge	2,500
(50.2) Muir Beach Community Services District, Muir Beach Mini Park	875

Item	Amount
(50.3) City of San Anselmo, Creekside Park	2,000
Projects in Mariposa County	
(50.4) County of Mariposa, New Mariposa Athletic Field	3,000
Projects in Merced County	
(51) County of Merced, Henderson Park	60,000
(52) County of Merced, Winton Park	60,000
(52.1) County of Merced, Lake Yosemite Park	101,386
Projects in Modoc County	
(53) County of Modoc, Modoc County Museum	77,400
Projects in Mono County	
(54) County of Mono, Hilton Creek Community Park	22,839
(55) County of Mono, Lee Vining Community Park	16,575
Projects in Monterey County	
(55.1) City of Del Rey Oaks, Del Rey Oaks Park	7,500
Projects in Napa County	
(56) City of Yountville, California Drive Park	5,901
Projects in Orange County	
(57) City of Irvine, Edison ROW Jeffrey I	33,000
(58) Silverado/Modjeska Recreation and Park District, Silverado Canyon Recreation Area	25,000
(58.1) City of Fullerton, Rolling Hills Park	166,104
(58.2) County of Orange, Sunset Harbor Phase II	400,000
(58.3) County of Orange, Mile Square Regional Park	87,500
(58.4) City of Newport Beach, Cliff Drive Park	5,450

Item	Amount
Projects in Placer County	
(59) County of Placer, Griffith quarry restoration	4,300
(59.1) City of Colfax, Colfax City Park	11,960
Projects in Plumas County	
(60) Indian Valley Recreation and Park District, Greenville Community Park	40,000
(62) County of Plumas, Taylorsville recreation facilities	12,000
Projects in Riverside County	
(63) Jurupa Community Services District, Agate Park	47,768
(64) County of Riverside, Edward-Dean Museum	50,000
(65) County of Riverside, Fish Traps archeological site	50,000
(66) County of Riverside, Lake Skinner Recreation Area	250,000
(67) County of Riverside, McIntyre Backwater	50,000
(67.1) City of Corona, Lincoln Street Park	40,000
(67.2) City of Indio, South Jackson Park	270
(67.3) Valley Wide Recreation and Park District, Valley Wide Regional Park	36,569
Projects in Sacramento County	
(68) County of Sacramento, Fruitridge Community Park	55,906
(69) County of Sacramento, Jedediah Smith National Recreational Trail	260,000
(69.1) Cordova Recreation and Park District, Larchmont Community Park	17,205
(69.2) County of Sacramento, Elk Grove Park	34,723
Projects in San Benito County	
(69.3) County of San Benito, Gambetta Recreational Area	20,000
(69.4) County of San Benito, Veterans Memorial Park	40,000
(69.5) County of San Benito, Abbe Memorial Park	20,000

Item	Amount
Projects in San Bernardino County	
(70) Baker Community Services District, Chet Huffman Community Park	5,500
(71) County of San Bernardino, Barstow four parks	50,607
Projects in San Bernardino County	
(71.1) City of Ontario, Cypress Avenue Park Site No. 13	47,589
(71.2) City of Ontario, Oak Street, Park Site No. 12	25,000
(71.3) County of San Bernardino, Yucaipa Regional Park	165,000
Projects in San Diego County	
(72) City of El Cajon, Bostonia Park..	152,135
Projects in San Luis Obispo County	
(73) City of Arroyo Grande, Strother Community Park	38,150
(74) County of San Luis Obispo, Atascadero Regional County Park	80,000
(75) County of San Luis Obispo, Biddle Regional County Park	75,000
(76) County of San Luis Obispo, Cordova Residence	1,000
(77) County of San Luis Obispo, El Chorro Park	67,898
(78) County of San Luis Obispo, Oceano County Park	5,000
Projects in San Mateo County	
(79) City of Daly City, Lincoln Park	15,810
(79.1) City of Belmont, Twin Pines Park	31,500
(79.2) City of Burlingame, Washington Park	103,400
(79.3) Highlands Recreation District, Lexington Avenue Park	10,300
(79.4) City of San Bruno, Fifth Addition Area	10,000
(79.5) City of San Bruno, Buckeye Park	10,000
(79.6) City of San Bruno, Glenview-Karl Playground	5,000

Item	Amount
(79.7) City of San Bruno, Herman Mini-Park	4,600
(79.8) City of San Bruno, San Bruno Park	20,000
(79.9) City of San Bruno, Traeger Park	30,000
(79.10) City of San Mateo, Mariners Island	50,000
Projects in Santa Clara County	
(79.11) City of Palo Alto, Greer District Park	100,000
(79.12) City of Palo Alto, California Avenue Area Mini Park	48,845
Projects in Santa Cruz County	
(80) City of Santa Cruz, Natural Bridges Park	50,000
(81) City of Scotts Valley, Errington Park	23,566
Projects in Shasta County	
(82) Junction School District, Junction School play area	17,170
(83) City of Redding, Caldwell Park	78,850
(84) Redding School District, Sycamore School multipurpose play field	16,420
(85) County of Shasta, Buckeye Regional Park	25,000
Projects in Sierra County	
(85.1) Sierra-Plumas Joint Unified School District, Kentucky Mine	3,500
Projects in Sonoma County	
(86) City of Sebastopol, Ragle Ranch	17,403
Projects in Stanislaus County	
(86.1) City of Hughson, LeBright School baseball facilities	2,000
Projects in Tehama County	
(86.2) City of Red Bluff, Lincoln Street recreation area	10,100
Projects in Trinity County	
(87) County of Trinity, Hayfork Community Park	7,740

Item		Amount
	Projects in Tulare County	
	(88) City of Farmersville, Roy Park ..	11,417
	(89) City of Lindsay, Harvard Area Park...	17,125
	(90) City of Visalia, South Community Park	100,919
	Projects in Tulare County	
	(90.1) Dinuba School District and Dinuba Joint Union High School District, Washington High baseball facilities	13,306
	(90.2) Strathmore Union High School District, Strathmore High recreation area	5,125
	(90.3) Sequoia Union Elementary School District, Sequoia Union School picnic facilities	875
	Projects in Tuolumne County	
	(90.4) City of Sonora, Rotary Park Improvements	20,000
	Projects in Yolo County	
	(90.5) County of Yolo, Meadowdale Park	60,000
	(90.6) County of Yolo, San Combs Park	40,000
	provided, that none of the funds which are appropriated by this item for the projects set forth herein shall be available for expenditure unless and until such projects are submitted to, and reviewed and approved by, the Secretary of the Resources Agency pursuant to Section 5096.89 of the Public Resources Code	
438.1	—For grants to counties, cities, cities and counties, and districts, as defined in Section 5096.84, pursuant to subdivision (a) of Section 5096.85, of the Public Resources Code, Department of Parks and Recreation, payable from the State Beach, Park, Recreational, and Historical Facilities Fund of 1974	70,810
	Unless otherwise provided herein, funds appropriated for each of the local grant projects in this item are for acquisition, development, or both.	

Item Amount

Schedule:

Projects in San Mateo County

(1) City of Daly City, Hillside Park .. 70,810

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

Reappropriation

439—Notwithstanding any other provisions of law, the undisbursed balances, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes (and subject to the limitations) provided in such appropriations (and any reappropriations), and shall be available for expenditure until June 30, 1978:

Department of Parks and Recreation:

(e) Item 412A (64), Budget Act of 1974, as added by Chapter 1522, Statutes of 1974 City of Culver City, Ron Smith Field, acquisition, development, or both

(f) Item 412A (77), Budget Act of 1974, as added by Chapter 1522, Statutes of 1974 City of Los Angeles, Watts Mini-Park, acquisition, development, or both

(i) Item 412A (96), Budget Act of 1974, as added by Chapter 1522, Statutes of 1974 City of Los Angeles, Banning Outdoor Pool, acquisition, development, or both

(k) Item 412A (125), Budget Act of 1974, as added by Chapter 1522, Statutes of 1974 City of San Dimas, Freeway Park, acquisition, development, or both

(*l*) Item 412A (145), Budget Act of 1974, as added by Chapter 1522, Statutes of 1974 County of Mendocino, Covelo Park, acquisition, development, or both

(m) Item 412A (146), Budget Act of 1974, as added by Chapter 1522,

Item		Amount
	Statutes of 1974 County of Mendocino, Redwood Valley Park, acquisition, development, or both	
(n)	Item 412A (162), Budget Act of 1974, as added by Chapter 1522, Statutes of 1974 City of Nevada City, Ott's Assay Office, acquisition, development, or both	
(o)	Item 412A (180), Budget Act of 1974, as added by Chapter 1522, Statutes of 1974 City of Laguna Beach, Crescent Bay Point open-space beach access, acquisition, development or both	
(p)	Item 412A (189), Budget Act of 1974, as added by Chapter 1522, Statutes of 1974 City of Yorba Linda, Yorba Linda Community Park, acquisition, development, or both	
(q)	Item 412A (194), Budget Act of 1974, as added by Chapter 1522, Statutes of 1974 City of Coachella, Bagdouma Park, acquisition, development, or both	
(r)	Item 412A (212), Budget Act of 1974, as added by Chapter 1522, Statutes of 1974 City of San Jacinto, Sallee Park, acquisition, development, or both	
(t)	Item 412A (227), Budget Act of 1974, as added by Chapter 1522, Statutes of 1974 City of Sacramento, Argonaut School Park, acquisition, development, or both	
(u)	Item 412A (228), Budget Act of 1974, as added by Chapter 1522, Statutes of 1974 County of Sacramento, Sacramento City-County Historical Museum, acquisition, development, or both	
(w)	Item 412A (232), Budget Act of 1974, as added by Chapter 1522, Statutes of 1974 City of San Juan Bautista, Abbe Memorial Park, acquisition, development, or both	
(x)	Item 412A (258), Budget Act of	

Item Amount

1974, as added by Chapter 1522, Statutes of 1974 County of San Bernardino, Morongo Park, acquisition, development, or both

(y) Item 412A (266), Budget Act of 1974, as added by Chapter 1522, Statutes of 1974 City of San Bruno, Rollingwood Park, acquisition, development, or both

(z) Item 412A (267), Budget Act of 1974, as added by Chapter 1522, Statutes of 1974 City of San Bruno, Fifth Addition Area, acquisition, development, or both

(cc) Item 412A (295), Budget Act of 1974, as added by Chapter 1522, Statutes of 1974 City of Santa Rosa, Bennett Valley Park, acquisition, development, or both

(dd) Item 412A (22), Budget Act of 1974, as added by Chapter 1522, Statutes of 1974, County of Contra Costa, Clyde Neighborhood Park, acquisition, development, or both

(ee) Item 412A (103), Budget Act of 1974, as added by Chapter 1522, Statutes of 1974, County of Los Angeles, Pan Pacific Park, acquisition, development, or both

(ff) Item 412A (160), Budget Act of 1974, as added by Chapter 1522, City of Grass Valley, Condon Park, acquisition, development, or both

Reversions

440—As of June 30, 1977, the unencumbered balance of the appropriation made by the following items shall revert to the unappropriated balance of the State Beach, Park, Recreational, and Historical Facilities Fund of 1974.

(a) Item 390 (44), Budget Act of 1975, County of Del Norte, Casquet Park

(b) Item 390 (45), Budget Act of 1975, County of Del Norte, Bertsch Neighborhood Park

Item	Amount
(c) Item 390 (98), Budget Act of 1975, City of Compton, Alondra Sports Center	
(d) Item 390 (121), Budget Act of 1975, City of West Covina, Cameron Avenue Park	
(e) Item 390 (136), Budget Act of 1975, Marinwood Community Services District, Dixie Schoolhouse	
(f) Item 390 (148), Budget Act of 1975, County of Modoc, Cedar Pass Ski Area	
(g) Item 390 (169), Budget Act of 1975, City of Irvine, College Park	
(h) Item 390 (182), Budget Act of 1975, County of Placer, Community Methodist Church Restoration	
(i) Item 390 (183), Budget Act of 1975, County of Placer, Gold Run Union Church Restoration	
(j) Item 390 (197), Budget Act of 1975, County of Riverside, Bogart Park	
(k) Item 390 (235), Budget Act of 1975, City of El Cajon, Gillespie Community Park	
(*l*) Item 390 (268), Budget Act of 1975, City of Daly City, Mussel Rock Park	
(m) Item 390 (300), Budget Act of 1975, City of Santa Cruz, Trescony Park	
(n) Item 414 (38), Budget Act of 1976, City of Bakersfield, Akers Road Park	
(o) Item 414 (41), Budget Act of 1976, City of Bakersfield, Kroll Way Park	
(p) Item 414 (100), Budget Act of 1976, County of Modoc, NCO Building	
(q) Item 414 (136), Budget Act of 1976, County of Riverside, Tenth Avenue Backwater	
(r) Item 414 (137), Budget Act of 1976, County of Riverside, Harford Springs	

Item	Amount
(s) Item 414 (150), Budget Act of 1976, County of San Bernardino, "H" Street Community Park	
(t) Item 412A (62), Budget Act of 1974, as added by Chapter 1522, Statutes of 1974, City of Cudahy, Wilcox Tot Lot	
(u) Item 412A (63), Budget Act of 1974, as added by Chapter 1522, Statutes of 1974, City of Cudahy, Live Oak Tot Lot	
(v) Item 412A (107), Budget Act of 1974, as added by Chapter 1522, Statutes of 1974, County of Los Angeles, Puerco Beach	
(w) Item 412A (128), Budget Act of 1974, as added by Chapter 1522, Statutes of 1974, City of Santa Monica, Memorial Park	
(x) Item 412A (216), Budget Act of 1974, as added by Chapter 1522, Statutes of 1974, Cordova Recreation and Park District, Community Park II	
(y) Item 412A (230), Budget Act of 1974, as added by Chapter 1522, Statutes of 1974, County of San Benito, Gambetta Recreational Area	
(z) Item 412A (255), Budget Act of 1974, as added by Chapter 1522, Statutes of 1974, County of San Bernardino, James A. Guthrie Regional Park	
(aa) Item 412A (263), Budget Act of 1974, as added by Chapter 1522, Statutes of 1974, Highlands Recreation District, Lexington Avenue Tennis Courts	
(bb) Item 412A (265), Budget Act of 1974, as added by Chapter 1522, Statutes of 1974, City of San Bruno, Grundy Park	
(cc) Item 412A (266), Budget Act of 1974, as added by Chapter 1522, Statutes of 1974, City of San Bruno, Rollingwood Park	
(dd) Item 412A (268), Budget Act of	

Item		Amount
	1974, as added by Chapter 1522, Statutes of 1974, City of San Bruno, Concord Way Tot Lot	
(ee)	Item 412A (269), Budget Act of 1974, as added by Chapter 1522, Statutes of 1974, City of San Bruno, Crestmoor Elementary School Park	
(ff)	Item 390 (23), Budget Act of 1975, City of Colusa, Will S. Green Home	
(gg)	Item 390 (36), Budget Act of 1975, County of Contra Costa, Alamo Community Park	
(hh)	Item 390 (43), Budget Act of 1975, County of Del Norte, Clifford Kamph Memorial Park	
(ii)	Item 390 (77), Budget Act of 1975, City of Hanford, Taoist Temple	
(jj)	Item 390 (79), Budget Act of 1975, County of Lake, Redbud Park	
(kk)	Item 390 (141.2), Budget Act of 1975, City of San Anselmo, Sorich Park	
(*ll*)	Item 390 (190), Budget Act of 1975, City of Corona, Butterfield Stage Trail Park	
(mm)	Item 390 (209), Budget Act of 1975, City of Ontario, Phillips Street Park Site No. 13	
(nn)	Item 390 (210), Budget Act of 1975, City of Ontario, West Cucamonga Creek Park Site	
(oo)	Item 390 (279), Budget Act of 1975, City of San Mateo, Lauriedale Park	
(pp)	Item 414 (29), Budget Act of 1976, City of Kerman, Kerman Community Park	
(qq)	Item 414 (56), Budget Act of 1976, City of Susanville, Diamonds View Neighborhood Park	
(rr)	Item 414 (59), Budget Act of 1976, City of Susanville, McKinley Neighborhood Park	
(ss)	Item 414 (60), Budget Act of 1976, City of Susanville, Roosevelt Pool	

Item	Amount
(tt) Item 414 (70), Budget Act of 1976, City of Monrovia, Clifton Softball Field	
(uu) Item 414 (76), Budget Act of 1976, City of Pico Rivera, Streamland Park	
(vv) Item 414 (91), Budget Act of 1976, County of Mariposa, Mariposa Ball Park	
(ww) Item 414 (115), Budget Act of 1976, County of Orange, Nike Base Regional Park	
(xx) Item 414 (168), Budget Act of 1976, City of Belmont, Ralston Tennis Court	
(yy) Item 414 (181), Budget Act of 1976, Sierra-Plumas Joint Unified School District, Downieville tennis courts	
(zz) Item 414 (202.4), Budget Act of 1976, City of Hughson, Youth Center Pool	
(aaa) Item 414 (204), Budget Act of 1976, City of Red Bluff, Airport Recreation Area	

NEJEDLY-HART STATE, URBAN, AND COASTAL PARK BOND ACT PROGRAM

SEC. 2.9. The following sums of money, or so much thereof as may be necessary, are hereby appropriated for expenditure during the 1977–78, 1978–79 and 1979–80 fiscal years, unless otherwise provided herein, for the programs contemplated by Section 5096 124 of the Public Resources Code, except that appropriations for studies, planning and working drawings shall be available for expenditure only during the 1977–78 fiscal year. All such appropriations shall be paid out of the State, Urban, and Coastal Park Fund.

CAPITAL OUTLAY

Resources

441—For capital outlay, Wildlife Conservation Board, Department of Fish and Game, for purposes set forth in subdivision (d) of Section 5096.124 of the Public Resources Code, payable from the State, Urban, and Coastal Park Fund	100,000

Item		Amount
Schedule:		
(a) Project planning	100,000	
442—For capital outlay, Department of Navigation and Ocean Development, for purposes set forth in paragraph (3) of subdivision (e) of Section 5096.124 of the Public Resources Code, payable from the State, Urban, and Coastal Park Fund....		393,000
Schedule:		
(a) Castaic Lake, Sharon's Rest Area —Los Angeles County	343,000	
(b) Project planning	50,000	
provided, that upon the receipt of any reimbursements applicable to any of the projects in this item from federal land and water conservation funds, such reimbursement shall be credited to this item.		
443—For capital outlay, Department of Parks and Recreation, for purposes set forth in subdivisions (b) and (c) of Section 5096.124 of the Public Resources Code, payable from the State, Urban, and Coastal Park Fund		40,807,273
Schedule:		
(a) Año Nuevo SRA—acquisition	1,518,500	
(d) Garner Valley—acquisition	3,100,000	
(g) Lighthouse Field—acquisition	4,600,000	
provided, that the state's share of the cost of capital improvements for this project shall not exceed 25%, and none of the funds appropriated for this project may be encumbered until the County of Santa Cruz and the City of Santa Cruz agree to provide for the operation and maintenance of this unit.		
(h) Mount Diablo SP—acquisition	2,250,000	
provided, that none of the funds appropriated for this project may be encumbered until the seller agrees to donate a portion of the property to be acquired and the department agrees, upon the request of the seller, to the retention of a life tenancy therein by the seller.		
(k) Trinidad Bay—acquisition	1,030,000	
(*l*) Planning	408,773	
(m) Malibu Creek SP—campground development and working drawings	200,000	
(n) Malibu Creek SP, Claretville addition—acquisition	4,200,000	
(o) Otterbein Park—development	2,500,000	
provided, that none of the funds appropriated for this project may be encumbered unless and until the County of Los Angeles agrees to grant title to		

Item		Amount

the park in fee to the state and to operate and maintain the park as a unit of the state park system at no cost to the state.

(p) Topanga SP—acquisition 3,000,000

(q) Willowbrook Park—acquisition 3,000,000

provided, that none of the funds appropriated for this project may be encumbered unless and until the department enters into an agreement with the County of Los Angeles for the development, operation, and maintenance, as a unit of the state park system, by the county and at no cost to the state, of the property to be acquired.

(r) Irvine Coast—acquisition 15,000,000

provided, that none of the funds appropriated for acquisition of parklands by this item shall be expended on the purchase of real property until the State Public Works Board has determined that the procedures and criteria established by the Attorney General relating to implied dedication and public prescriptive rights or claims have been complied with in the investigations and appraisals of the Department of General Services. All material relating to implied dedication and public prescriptive rights or claims shall be retained in the files of the Department of General Services and shall be available for postaudit on a selective basis by the Attorney General.

443.4—For capital outlay, Department of Water Resources, for purposes set forth in paragraph (2) of subdivision (e) of Section 5096.124 of the Public Resources Code, payable from the State, Urban, and Coastal Park Fund 500,000

Schedule:

(a) California Aqueduct Bikeway—project planning and construction 450,000

(b) Frenchmen's Flat Recreation Lake—project planning 50,000

LOCAL ASSISTANCE

Resources

443.5—For project review for purposes set forth in subdivision (a) of Section 5096.124 of the Public Resources Code, Department of Parks and Recreation, for expenditure during the 1977–78 fiscal year, payable from the State, Urban, and Coastal Park Fund 112,506

Item		Amount
443.8—For grants to counties, cities, and districts, as defined in Section 5096.123, pursuant to subdivision (a) of Section 5096.124, of the Public Resources Code, Department of Parks and Recreation, payable from the State, Urban, and Coastal Park Fund		47,411,057
Unless otherwise provided herein, funds appropriated for each of the local grant projects in this item are for acquisition, development, or restoration, or any combination thereof.		
Schedule:		
Projects in Alameda County		
(1) City of Alameda, Washington Park	118,904	
(2) City of Albany, Middle School Park	42,858	
(3) City of Berkeley, Cedar-Rose Park	294,400	
(4) City of Berkeley, Rose Walk	15,500	
(5) East Bay Municipal Utility District, Redwood-Las Trampas-Chabot Trail	40,540	
(6) East Bay Regional Park District, Arrowhead Marsh	200,000	
(7) East Bay Regional Park District, Garin Regional Park	200,000	
(8) City of Fremont, Central Park	363,308	
(9) City of Hayward and Hayward Area Recreation and Park District, Hayward Shoreline Acquisition	593,425	
(10) Livermore Area Recreation and Park District, Sycamore Grove Regional Park	27,925	
(11) Livermore Area Recreation and Park District and City of Livermore, El Prado Park	11,246	
(12) Livermore Area Recreation and Park District and City of Livermore, Independence Park	30,000	
(13) Livermore Area Recreation and Park District and City of Livermore, Karl Wente Park	10,000	
(14) Livermore Area Recreation and Park District and City of Livermore, Oak Knoll	10,000	
(15) Livermore Area Recreation and Park District and City of Livermore, Pleasure Island	17,000	

Item	Amount
(16) Livermore Area Recreation and Park District and City of Livermore, Proud Country Site.	10,000
(17) Livermore Area Recreation and Park District and City of Livermore, Ravenswood Restoration ...	60,000
(18) Livermore Area Recreation and Park District and City of Livermore, Samuel Brothwell Sr. Recreation Center	10,000
(19) City of Oakland, Caldecott Park	200,000
(20) City of Oakland, Holy Redeemer Park...	150,000
(21) City of Oakland, Shepard Canyon Park.....	250,000
(22) City of Piedmont, Dracena Park	29,671
(23) City of San Leandro, Casa Peralta Restoration	30,000
(24) City of San Leandro, Pacific High School Recreation Facilities	50,000
(25) City of San Leandro, Tony Lema Golf Course.....	61,215
(26) City of San Leandro, Washington Manor Park.....	50,000
(27) City of Union City, Hall Ranch	102,201
(28) Valley Community Services District, Dublin Sports Grounds	42,858
Projects in Butte County	
(29) City of Chico and Chico Area Recreation and Park District, Bidwell Park	198,375
Projects in Calaveras County	
(30) City of Angels, Museum Carriage House	50,000
(31) Calaveras County Water District, White Pines Lake Recreational Facilities.....	10,000
(32) Ebbetts Pass Veterans Memorial District, Ebbetts Pass Tennis Courts.....	20,000
(33) San Andreas Recreation and Park District, San Andreas Community Park	40,000

Item	Amount
Projects in Contra Costa County	
(34) Ambrose Recreation and Park District, Pacifica Neighborhood Park	24,150
(35) City of Antioch, Antioch Community Recreation Center	104,100
(36) City of Concord, Inner Lime Ridge	296,750
(37) County of Contra Costa, Montalvin Manor Park	31,650
(38) County of Contra Costa, Orinda Community Center Park	51,800
(39) County of Contra Costa, Tibros Park	94,350
(40) County of Contra Costa, Walnut Creek Area Recreational Trails	202,650
(41) East Bay Municipal Utility District, San Pablo-Lafayette Reservoirs Recreation Facilities	48,660
(42) East Bay Regional Park District, Black Diamond Mines	74,091
(43) East Bay Regional Park District, Briones-Diablo Regional Trail	100,000
(44) East Bay Regional Park District, Briones-Las Trampas Trail	75,000
(45) East Bay Regional Park District, Briones Regional Park	200,000
(46) City of El Cerrito, El Cerrito Swim Center	72,000
(47) Kensington Community Services District, Kensington Park	16,600
(48) City of Martinez, Martinez Waterfront Park	58,700
(49) City of Pinole, Sobrante Ridge	48,050
(50) City of Richmond, Hilltop Green Park	219,700
(51) Valley Community Services District, Athan Downs Park	43,650
Projects in El Dorado County	
(52) El Dorado Irrigation District, Weber Creek Recreation Area	42,451
(53) City of South Lake Tahoe, El Dorado Campground	90,000
(54) Tahoe City Public Utility District, Bicycle Trail Phase 5	12,128

Item	Amount
Projects in Fresno County	
(55) Calwa Recreation and Park District, Calwa Municipal Park	26,012
(56) City of Clovis, Sierra Bicentennial Park	99,769
(57) Del Rey Community Services District, Del Ray Park	20,000
(58) City of Firebaugh, Andrew Firebaugh Historical Park	23,589
(59) City of Fowler, Recreation Center	20,000
(60) City of Fresno, Ivy Community Center	37,000
(61) City of Fresno, Lafayette School Site	391,000
(62) City of Fresno, Lions Park	92,000
(63) City of Fresno, Planned Variation No. 3	76,000
(64) City of Fresno, Quigley Park	16,620
(65) Highway City Community Services District, Highway City Park	20,000
(66) City of Kingsburg, Downtown Park	25,067
(67) City of Mendota, Mendota Park	22,702
(68) City of San Joaquin, City Park	20,000
(69) Tranquillity Irrigation District, Tranquillity Town Park	20,000
(70) West Parlier Community Services District, West Parlier Park	20,000
Projects in Glenn County	
(71) City of Willows, Sycamore Community Center-Park	94,000
Projects in Imperial County	
(72) City of Brawley, Meserve and Northwest Parks	52,908
(73) City of Calexico, Rodriquez Park	49,846
(74) City of El Centro, Ward Swarthout Park	80,775
(75) County of Imperial, Forrester Park	20,000
Projects in Kern County	
(76) Bear Mountain Recreation and Park District, Bear Mountain Park	43,126
(77) Buttonwillow Recreation and Park District, Buttonwillow Tennis Courts	10,000

Item	Amount
(78) City of California City, Central Park	10,000
(79) Desert Lake Community Services District, Desert Lake Community Park	10,000
Projects in Lake County	
(80) County of Lake, Austin Park	30,000
(81) County of Lake, Lakeside Park	40,000
(82) City of Lakeport, Library Park	15,000
(83) County of Lake, Lower Lake Park	10,000
(84) County of Lake, Lucerne Park	10,000
(85) County of Lake, Middletown Park	10,000
(86) County of Lake, Oaks Beach Park	10,000
(87) County of Lake, Redbud Park	20,000
(88) County of Lake, Upper Lake Park	30,000
(89) County of Lake, Westshore Swim Pool	25,000
Projects in Lassen County	
(90) County of Lassen, County Group Recreation Area	40,000
(91) Little Valley Community Services District, Little Valley Park	10,000
(92) City of Susanville, Memorial Park	25,000
(93) City of Susanville, Riverside Park	45,000
(94) City of Susanville, Roosevelt Pool	10,000
(95) Westwood Community Services District, Westwood Community Park	36,000
Projects in Los Angeles County	
(96) City of Arcadia, Civic Center Playfield	148,046
(97) City of Artesia, Artesia City Park	46,566
(98) City of Azusa, Northside Park	40,006
(99) City of Azusa, Slauson Park	40,438
(100) City of Baldwin Park, Ledford Park Site	75,028
(101) City of Bell Gardens, Bell Gardens Recreation Center	82,920
(102) City of Bell, Little Bear Park	64,511
(103) City of Bellflower, Thompson Park	159,029

Item	Amount
(104) City of Beverly Hills, Roxbury Memorial Park	102,411
(105) City of Burbank, Olive Avenue Park	263,294
(106) City of Carson, 190th and Wilmington Park	243,184
(107) City of Cerritos, Cerritos Park East	100,000
(108) City of Cerritos, Liberty Park	44,952
(109) City of Claremont, College Park	79,671
(110) City of Commerce, Bandini Park	31,561
(111) City of Cudahy, Clara Street Park	50,279
(112) City of Culver City, Culver City Park Improvement	119,582
(113) City of Downey, Independence Park	267,007
(114) City of Duarte, Duarte Park	46,411
(115) City of El Segundo, El Segundo Recreation Park	46,721
(116) City of Gardena, South Gardena Park	138,764
(117) City of Glendora, Dawson Avenue Park	104,577
(118) City of Hawthorne, Hawthorne Youth Camp	10,000
(119) City of Hawthorne, Holly Glen Park	12,000
(120) City of Hawthorne, Jim Thorpe Park	28,000
(121) City of Hermosa Beach, Hermosa Beach Recreation Facilities	60,025
(122) City of Lakewood, San Gabriel River Park	250,609
(123) City of La Verne, Las Flores Park	56,931
(124) City of Long Beach, Shoreline Aquatic Park	1,058,426
(125) City of Los Angeles, Balboa Park	100,000
(126) City of Los Angeles, Beverlywood Senior Citizens Center	300,000
(127) City of Los Angeles, Brand Park	50,000
(128) City of Los Angeles, Central Recreation Center	885,000
(129) City of Los Angeles, Chatsworth Reservoir	100,000

Item	Amount
(130) City of Los Angeles, Culver-Slauson Park	50,000
(131) City of Los Angeles, Dearborn Park	275,000
(132) City of Los Angeles, Echo Park-Van Nuys-Sherman Oaks R. C. Sports Field Lighting	106,000
(133) City of Los Angeles, Elysian Park	516,090
(134) City of Los Angeles, Fresno Recreation Center	613,385
(135) City of Los Angeles, Hansen Dam Recreation Area	20,000
(136) City of Los Angeles, Knapp Ranch Park	85,000
(137) City of Los Angeles, La Brea Park	835,000
(138) City of Los Angeles, Lake Hollywood Park	20,000
(139) City of Los Angeles, Lake View Terrace Park	141,510
(140) City of Los Angeles, Lanark Recreation Center	125,000
(141) City of Los Angeles, Laurel Canyon Park	120,000
(142) City of Los Angeles, Los Angeles Park Lighting	40,168
(143) City of Los Angeles, Louise Recreation Center	70,000
(144) City of Los Angeles, Portsmouth Park	200,000
(145) City of Los Angeles, Rancho Cienega Sport Center	885,000
(146) City of Los Angeles, Santa Barbara-Vermont Area	750,000
(147) City of Los Angeles, San Vicente Mountain Park	200,000
(148) City of Los Angeles, Sepulveda Basin Garden Center	25,000
(149) City of Los Angeles, Sepulveda Basin Recreation Area	300,000
(150) City of Los Angeles, Serrania Park	380,000
(151) City of Los Angeles, Shadow Ranch	368,000
(152) City of Los Angeles, Stoney Point	100,000

Item	Amount
(153) City of Los Angeles, Tarzana Recreation Center	60,000
(154) City of Los Angeles, Van Nuys Senior Citizen Center	200,000
(155) City of Los Angeles, Warner Ranch Park	227,000
(156) City of Los Angeles, Wilbur-Tampa Park	275,000
(157) City of Los Angeles, Woodland Hills Recreation Center	100,000
(158) County of Los Angeles, Santa Clarita County Park	95,000
(159) County of Los Angeles, Bouquet Canyon County Park	940,000
(160) County of Los Angeles, Cabrillo Beach	107,400
(161) County of Los Angeles, Cabrillo Beach Boat Facilities	41,400
(162) County of Los Angeles, Dockweiler Beach	141,400
(163) County of Los Angeles, El Segundo Beach	101,400
(164) County of Los Angeles, John Anson Ford Cultural Arts Center	210,000
(165) County of Los Angeles, La Costa Beach	271,400
(166) County of Los Angeles, Lopez Dam Recreation Area	150,000
(167) County of Los Angeles, Malibu Beaches	71,400
(168) County of Los Angeles, Mariposa County Park	64,691
(169) County of Los Angeles, Pan Pacific Park	1,039,691
(170) County of Los Angeles, Point Dume	121,400
(171) County of Los Angeles, Santa Fe Dam Recreation Area	1,249,691
(172) County of Los Angeles, White Point Beach	156,091
(173) County of Los Angeles, Willowbrook County Park	1,249,691
(174) County of Los Angeles, Will Rogers Beach	141,400
(175) County of Los Angeles, Seven Beaches Sanitary Systems	96,400
(176) City of Manhattan Beach, Manhattan Beach Park	103,339

Item	Amount
(177) City of Maywood, Maywood City Park	35,000
(178) City of Montebello, Fremont School	26,424
(179) City of Montebello, Grant Rea Park	84,889
(180) City of Montebello, Greenwood School	36,424
(181) City of Monterey Park, Emerson-Sierra Vista Park	155,936
(182) City of Palos Verdes Estates, Palos Verdes Trail System	45,947
(183) City of Paramount, Progress Park	96,069
(184) City of Pico Rivera, Smith Park	157,482
(185) City of Redondo Beach, North Park	195,847
(186) City of Rolling Hills Estates, Dapplegray Park	23,903
(187) City of Rosemead, Garvey Park	10,000
(188) City of Rosemead, Rosemead-Garvey Baseball Facilities	20,000
(189) City of Rosemead, Rosemead Park	62,521
(190) City of Rosemead, Zapopan Center	30,000
(191) City of San Dimas, Freeway Park	55,535
(192) City of Sierra Madre, Sierra Madre School Community Field	36,977
(193) City of Signal Hill, Reservoir Park	17,638
(194) City of South El Monte, Dean Shively Park	32,818
(195) City of South El Monte, South El Monte Mini-Center	10,500
(196) City of South Pasadena, Arroyo Park	45,769
(197) City of South Pasadena, Garfield Park	26,477
(198) Southeast Recreation and Park District, Holifield Park	246,261
(199) Southeast Recreation and Park District, Frontier Park	141,562
(200) City of Southgate, Hollydale-Main Street Park	170,786
(201) City of Temple City, Live Oak Park	93,439

Item	Amount
(202) City of Walnut, Collegewood Neighborhood Park	28,544
(203) City of Whittier, Franklin School Park	217,504
Projects in Madera County	
(204) City of Chowchilla, Chowchilla Sports and Leisure Park	20,000
Projects in Mariposa County	
(205) County of Mariposa, Cathey's Valley Park	25,000
(206) County of Mariposa, El Portal Park	25,000
(207) County of Mariposa, Mariposa Athletic Field	50,000
(208) County of Mariposa, Mariposa Park	45,000
(209) County of Mariposa, New District 5 Park	45,000
(210) County of Mariposa, Red Cloud Park	10,000
Projects in Mendocino County	
(211) County of Mendocino, Bower Park	28,564
(212) County of Mendocino, Low Gap Regional Park	10,000
(213) County of Mendocino, Manchester Historical School Preservation	20,000
(214) City of Willits, Recreation Grove Park	50,000
Projects in Merced County	
(215) City of Atwater, Atwater Memorial Ballpark	40,000
(216) City of Atwater, Osborn Park	15,887
(217) City of Livingston, Arakelian Neighborhood Park	14,743
Projects in Napa County	
(218) City of Yountville, California Drive Park	10,554
Projects in Nevada County	
(219) City of Grass Valley, Memorial Park	45,000

Item	Amount
(220) City of Nevada City, Carriage House Restoration	17,000
(221) City of Nevada City, Ott's Assay Office	28,000
(222) Western Gateway Recreation and Park District, Western Gateway Park	45,000
Projects in Orange County	
(223) City of Buena Park, George Bellis Park	63,440
(224) City of Buena Park, Larwin Park	12,000
(225) City of Buena Park, San Marino Park	10,000
(226) City of Buena Park, Smith-Murphy Park	46,000
(227) City of Buena Park, William Peak Park	40,000
(228) City of Costa Mesa, Canyon Park	212,448
(229) City of Fountain Valley, Fountain Valley Recreation and Cultural Center	146,854
(230) City of Garden Grove, Euclid Park	100,000
(231) City of Garden Grove, Gem Theatre	160,000
(232) City of Garden Grove, Lake School Park	40,607
(233) City of Garden Grove, Pioneer-Faylane Parks	28,000
(234) City of La Habra, Children's Museum and Cultural Facilities	120,143
(235) City of Newport Beach, Bayside Drive Park	54,458
(236) City of Newport Beach, Ensign View Park	121,000
(237) City of Orange, El Camino Real Park	229,846
(238) County of Orange, Bent Tree Park	51,408
(239) County of Orange, Cordova Park	92,505
(240) County of Orange, El Toro Community Park	51,261
(241) County of Orange, Iglesia Park	59,158
(242) County of Orange, Ridgeview Park	40,100

Item	Amount
(243) County of Orange, Rossmoor Community Park	39,217
(244) County of Orange, Silverado Canyon Community Center	12,467
(245) County of Orange, Spendlove Memorial Park	21,459
(246) County of Orange, Stockport Park	23,793
(247) City of San Clemente, San Gorgonio Park	61,450
(248) City of San Juan Capistrano, 1896 Dance Hall	37,976
(249) City of Santa Ana, Prentice Park Zoo	499,113
(250) City of Tustin, Columbus Tustin Park	82,858
(251) City of Yorba Linda, Yorba Linda Community Park	64,692
Projects in Placer County	
(252) North Tahoe Public Utility District, North Tahoe Recreational Facilities	44,579
(253) City of Rocklin, Springview Park	30,512
(254) Tahoe City Public Utility District, Skylandia Regional Park	46,068
Projects in Plumas County	
(255) Central Plumas Recreation, Park and Parkway District, East Quincy Community Park	50,000
(256) County of Plumas, Chester Community Park	50,000
(257) County of Plumas, Greenville Ball Diamonds	34,000
(258) County of Plumas, Quincy Horse Arena	15,000
Projects in Riverside County	
(259) Beaumont-Cherry Valley Recreation and Park District, Noble Creek Park	18,510
(260) City of Desert Hot Springs, Arroyo Park	10,481
(261) City of Hemet, Gibbel Park	73,221
(262) City of Palm Springs, Tahquitz Regional Park	102,211

Item	Amount
(263) City of Rancho Mirage, Whitewater Regional Park	15,518
(264) County of Riverside, Lake Skinner Park	200,000
(265) County of Riverside, Santa Ana River-Jones Ranch	200,000
(266) City of San Jacinto, Mistletoe and Sallee Parks	17,966
(267) Valleywide Recreation and Park District, Valleywide Regional Park	76,079
Projects in Sacramento County	
(268) Arcade Creek Recreation and Park District, Arcade Creek Community Park	32,962
(269) Arden Manor Recreation and Park District, Jonas-Larkspur Park	15,710
(270) Arden Park Recreation and Park District, La Sierra Bath House	10,800
(271) Cordova Recreation and Park District, Cordova Sports Complex	30,279
(272) Cordova Recreation and Park District, Rosemount Community Park	86,000
(273) Fair Oaks Recreation and Park District, Fair Oaks Park	38,572
(274) Fulton-El Camino Recreation and Park District, Howe Community Park	48,251
(275) North Highlands Recreation and Park District, Brock Park	53,721
(276) City of Sacramento, Freeport Park	25,000
(277) City of Sacramento, Hagginwood Park	101,565
(278) City of Sacramento, Henschel Park	25,000
(279) City of Sacramento, Lewis Park	47,000
(280) City of Sacramento, Niños Park	47,000
(281) City of Sacramento, Seymour Park	10,000
(282) City of Sacramento, Oak Park Community Center	220,000
(283) City of Sacramento, William Land Park	15,000
(284) City of Sacramento, Z'berg Park	35,000

Item	Amount
(285) County of Sacramento, City-County Museum	250,000
(286) County of Sacramento, Discovery Park	479,556
(287) County of Sacramento, Discovery Park South	250,000
(288) County of Sacramento, Fruitridge Community Park	30,718
(289) County of Sacramento, Indian Stone Corral	233,500
(290) County of Sacramento, Rio Linda Central Park	19,637
(291) Southgate Recreation and Park District, Trailhead Park	66,345
(292) Sunrise Recreation and Park District, Orangevale Community Park	177,574
Projects in San Bernardino County	
(293) City of Adelanto, Richardson Park	10,000
(294) City of Chino, Southwestern Park Site	95,264
(295) City of Colton, Colton Three-Parks	69,704
(296) City of Fontana, Community and Senior Center Park	16,282
(297) City of Fontana, Miller Park	64,000
(298) City of Montclair, Central and Kingsley Area	76,240
(299) City of Needles, Civic Center Ball Field	14,051
(300) City of Ontario, Area No. 16 Park Site	220,919
(301) City of Redlands, Prospect Park	127,240
(302) City of Rialto, Palm and Second Multi Purpose Recreation Facility	108,558
(303) City of Upland, Benson Avenue Aircraft Greenbelt Park	127,573
(304) City of Victorville, Victorville Recreational Facility	66,500
Projects in San Diego County	
(305) City of Chula Vista, Brandywine-Otay Valley Site	307,187
(306) City of Escondido, Dixon Lake Recreation Area	15,000

Item	Amount
(307) City of Escondido, Grape Day Park	121,738
(308) City of Escondido, Kit Carson Park	60,000
(309) City of Escondido, Washington Park	35,000
(310) City of Imperial Beach, Imperial Beach Sports Park	137,793
(311) City of La Mesa, Collier Park	13,000
(312) City of La Mesa, Padre Bay Arm Park	20,000
(313) City of La Mesa, Rolando Park	148,000
(314) City of National City, Kimball Park	212,268
(315) City of Oceanside, Center City Park	255,590
(316) Oceanside Small Craft Harbor District, Area N Fishing Platform	50,000
(317) Padre Dam Municipal Water District, Santee Lakes Recreation Area	50,000
(318) Poway Municipal Water District, Lake Poway	30,600
(319) Ramona Municipal Water District, Ramona Community Recreation Center	50,000
(320) City of San Diego, Lake Murray-Cowles-Fortuna Mountain Regional Park	1,000,000
(321) City of San Diego, Mission Bay Park	834,900
(322) County of San Diego, Guajome Regional Park Adobe	200,000
(323) County of San Diego, Lake Murray-Cowles-Fortuna Mountain Regional Park	334,900
(324) County of San Diego, Los Penasquitos Regional Park	300,000
(325) County of San Diego, Sweetwater Regional Park	1,000,000
(326) City of San Marcos, Woodland Park	107,126
(327) City of Vista, Brengle Terrace Park	164,078
Projects in San Joaquin County	
(328) City of Manteca, Manteca Community Park Northgate	62,858

Item	Amount
(329) County of San Joaquin, Oak Grove Regional Park Acquisition	60,000
(330) County of San Joaquin, Oak Grove Regional Park Development	323,737
(331) County of San Joaquin, South County Regional Park	15,000
Projects in San Luis Obispo County	
(332) City of Grover City, Ninth and Ramona Park	30,218
(333) City of Morro Bay, Lila Keiser Park	35,638
(334) City of San Luis Obispo, Laguna Golf Course	90,000
(335) City of San Luis Obispo, Sinsheimer Park	48,766
Projects in Santa Barbara County	
(336) Cuyama Valley Recreation District, Cuyama Valley Recreation Center	10,000
(337) County of Santa Barbara, Goleta Tennis Court and Ballfield Lighting	94,000
(338) County of Santa Barbara, Goleta Tennis Court Construction	80,000
(339) County of Santa Barbara, Hans Christian Anderson Park	76,000
(340) County of Santa Barbara, Nojoqui Falls Park	28,000
(341) County of Santa Barbara, San Antonio Canyon Park	42,000
(342) County of Santa Barbara, Waller Park	74,000
Projects in Santa Clara County	
(343) City of Gilroy, Eastside Park	33,166
(344) Midpeninsula Regional Open Space District, Monte Bello Open Space Preserve	750,712
(345) City of Milpitas, Pinewood Park	67,369
(346) City of San Jose, Guadalupe Oak Grove	1,172,717
(347) City of Santa Clara, Central Park	80,000

Item	Amount
(348) City of Santa Clara, Fremont Park	30,088
(349) City of Santa Clara, Homestead Park	66,446
(349.1) City of Campbell, Los Gatos Creek Recreational Area	53,417
Projects in Shasta County	
(350) City of Anderson, Anderson River Park	50,000
(351) Shasta Dam Area Public Utility District, Vallecito Street Tennis Courts	30,000
Projects in Solano County	
(352) City of Benicia, East Fifth Street Park	50,750
(353) City of Fairfield, Rockville Hills Park	149,730
(354) Greater Vallejo Recreation District, River Park	201,000
(355) County of Solano, Lagoon Valley Park	10,018
(356) County of Solano, Lake Solano County Park	60,000
(357) County of Solano, Rio Vista Sandy Beach	115,000
Projects in Sonoma County	
(358) Camp Meeker Recreation and Park District, Dutch Bill Creek Recreation Area	10,000
(359) Cazadero Community Services District, Cazadero Park	10,000
(360) Monte Rio Recreation and Park District, Monte Rio Park	10,000
(361) Occidental Community Services District, Occidental Community Tennis Courts	10,000
(362) City of Rohnert Park, Benicia Park	54,080
(363) Russian River Recreation and Park District, Rio Nido Neighborhood Park	10,000
(364) City of Sebastopol, Ives Pool Bathhouse Renovation	25,111
(365) City of Sonoma, Pinelli Park	27,776

Item	Amount
(366) County of Sonoma, Ragle Ranch Regional Park	126,000
(367) County of Sonoma, Sonoma Valley Regional Park	140,000
(368) Valley of the Moon Park and Recreation District, Larson Park-Oak Knolls	10,000
Projects in Sutter County	
(369) County of Sutter, Garden Highway Park	63,750
Projects in Tehama County	
(370) County of Tehama, Antelope Park	31,900
(371) City of Corning, Corning Recreation and Park Facilities	23,750
(372) County of Tehama, Gerber Park	24,270
(373) City of Red Bluff, John R. Trainor Memorial Park	49,780
(374) County of Tehama, Mill Creek Park	22,200
(375) County of Tehama, Ridgeway Park	15,500
(376) County of Tehama, Simpson-Finnell Park	10,100
(377) County of Tehama, Tehama County River Park	10,100
Projects in Trinity County	
(378) Lewiston Community Services District, Lewiston Community Park	11,000
(379) County of Trinity, Hayfork Golf Course	24,000
(380) County of Trinity, Hayfork Park	14,000
(381) County of Trinity, Trinity Center Park	17,000
(382) Weaverville-Douglas City Recreation District, Douglas City Community Park	20,000
(383) Weaverville-Douglas City Recreation District, Lowden Park	24,000
Projects in Tulare County	
(384) City of Dinuba, El Monte Tot Lot	12,380
(385) City of Dinuba, Roosevelt Park	31,000

Item	Amount
(386) City of Exeter, City Baseball Park	13,148
(387) City of Exeter, Pruner Park	15,500
(388) City of Farmersville, Farmersville Ball Park	23,737
(389) City of Lindsay, Tulare/Harvard Park	31,922
(390) City of Porterville, Zalud Park	54,021
(391) City of Tulare, Laspina Park	69,569
(392) County of Tulare, Bartlett Park	75,000
(393) County of Tulare, Cutler Park	30,000
(394) County of Tulare, Elk Bayou Park	50,000
(395) County of Tulare, Kings River Park	25,000
(396) County of Tulare, Ledbetter Park	27,500
(397) County of Tulare, Mooney Grove	75,000
(398) County of Tulare, Pixley Park	20,000
(399) City of Visalia, Whitendale Park	126,867
(400) City of Woodlake, Small World Park and Tennis Court Facilities	23,737
Projects in Ventura County	
(401) Casitas Municipal Water District, Lake Casitas Recreation Area	70,987
(402) Conejo Recreation and Park District, Triunfo Community Park	207,468
(403) City of Fillmore, Sespe Park	20,370
(404) City of Ojai, Libbey Park	41,698
(405) Simi Valley Recreation and Park District, Stearns Street-Los Angeles Avenue Park	191,411
(406) City of Santa Paula, Civic and Community Center Parks	46,064
(407) County of Ventura, Camarillo Grove	150,901
(408) County of Ventura, Petit Park	417,000
Projects in Yolo County	
(409) City of Davis, Westwood Park	108,231
(410) East Yolo Community Services District, East Yolo Schools Playfield Development	82,284

Item Amount

Projects in Yuba County
(411) County of Yuba, West Linda Community Park 40,000
(412) County of Yuba, Ponderosa Park 40,000
provided, that none of the funds which are appropriated in this item for the projects set forth herein shall be available for encumbrance unless and until such projects are submitted to, and reviewed and approved by, the Director of Parks and Recreation pursuant to Section 5096.130 of the Public Resources Code. The director may not approve any such project unless the applicant for the project is proposed to be included, or is already included, in the priority plan required by subdivision (c) of Section 5096.127 and unless the project meets the requirements of Section 5096.124, as it it relates to local assistance grants, Section 5096.130, and any other provision of the Nejedly-Hart State, Urban, and Coastal Park Bond Act of 1976 (commencing with Section 5096.111 of the Public Resources Code).

443.9—For grants to counties, cities, and districts, as defined in Section 5096.123, pursuant to subdivision (a) of Section 5096.124 of the Public Resources Code, Department of Parks and Recreation, payable from the State, Urban, and Coastal Park Fund 20,577
Unless otherwise provided herein, funds appropriated for acquisition, development, or restoration, or any combination thereof.
Schedule:

Projects in Napa County
(1) American Canyon Water District, youth tennis project 20,577
provided, that none of the funds which are appropriated in this item for the projects set forth herein shall be available for encumbrance unless and until such projects are submitted to, and reviewed and approved by, the Director of Parks and Recreation pursuant to Section 5096.130 of the Public Resources Code. The director may not approve any such project unless the applicant for the project is proposed to be included, or is already included, in the priority plan required by subdivision (c) of Section 5096.127 and unless the project meets the requirements of Section 5096.124, as it relates to local assistance grants, Section 5096.130, and any other provision of the Nejedly-Hart State,

Item	Amount
Urban, and Coastal Park Bond Act of 1976 (commencing with Section 5096.111 of the Public Resources Code).	

STATE COASTAL CONSERVANCY

SEC. 3. The following sums of money, or so much thereof as may be necessary, are hereby appropriated for expenditure during the 1977–78, 1978–79, and 1979–80 fiscal years, unless otherwise provided herein, for the programs contemplated by Section 5096.125 and Division 21 (commencing with Section 31000) of the Public Resources Code, except that appropriations for administration and planning shall be available for expenditure only during the 1977–78 fiscal year. All such appropriations shall be paid out of the State Coastal Conservancy.

STATE OPERATIONS

Resources

444—For support, State Coastal Conservancy, for the purposes set forth in subdivision (f) of Section 5096.125 of the Public Resources Code, for expenditure during the 1977–78 fiscal year, payable from the State Coastal Conservancy	200,415
445—For reimbursement to the General Fund as repayment of a loan from Item 104, Budget Act of 1976, for purposes set forth in subdivision (f) of Section 5096.125 of the Public Resources Code, payable from the State Coastal Conservancy	26,116

HEALTH SCIENCE FACILITIES CONSTRUCTION BOND ACT PROGRAM

SEC. 3.2. The following sums of money, or so much thereof as may be necessary, are hereby appropriated for expenditure during the 1977–78, 1978–79 and 1979–80 fiscal years for expenditures only for the programs contemplated by the Health Science Facilities Construction Program Bond Act of 1971, except that appropriations for studies, planning, working drawings, and minor capital outlay projects shall be available for expenditure only during the 1977–78 fiscal year. In addition, every appropriation made in this section for construction, or working drawings and construction, that has not been approved by the State Public Works Board on or before June 30, 1978, shall revert as of that date to the Health Science Facilities Construction Program Fund. All such appropriations shall be paid out of the Health Science Facilities Construction Program Fund.

Item		Amount
	Education	
446—For capital outlay, University of California, subject to approval of the State Public Works Board, payable from Health Sciences Facilities Construction Program Fund; provided, that withdrawals shall be as required to meet current obligations as certified by the University of California		24,698,000
Schedule:		
Universitywide—Health Sciences:		
(1) Project programming and preliminary planning, health sciences	50,000	
(2) General and advance planning studies, health sciences	50,000	
San Francisco—Health Sciences:		
(3) Working drawings, construct and equip clinics and medical sciences buildings alterations, step 2	493,000	
Davis—Health Sciences:		
(4) Construct Sacramento Medical Center improvements (alterations), 1975–76, 1976–77	1,832,000	
provided, that no sums appropriated by subitem (4) shall be expended unless and until a long-term agreement covering the University of California's ownership and operations of the Sacramento Medical Center is signed by the university, and the County of Sacramento.		
Irvine—Health Sciences:		
(5) Equip medical sciences unit 1	2,052,000	
(6) Construct, UC Irvine, Medical Center renovations and improvements—building 1 addition	8,952,000	
(7) Preliminary plans, working drawings and construct medical surge alterations	369,000	
San Diego—Health Sciences:		
(8) Construct university hospital, correction of mechanical system inadequacies	142,000	

Item		Amount
(9)	Construct university hospital, remodel released medical records area, 2nd floor	105,000
(10)	Construct university hospital, remodel released clinic areas, 1st floor	613,000
(11)	Working drawings and construct university hospital, relocate nuclear medicine	381,000
(12)	Working drawings and construct university hospital, operating suite expansion, phase B	744,000
	Berkeley—Health Sciences:	
(13)	Equip optometry building (Minor Hall) addition	791,000
(14)	Equip alterations to Minor Hall for optometry	187,000
(15)	Construct Warren Hall, alterations and life safety improvements for public health	1,011,000
	Davis—Health Sciences:	
(16)	Construct veterinary medicine unit 2	3,432,000
(17)	Working drawings, Sacramento Medical Center, replacement of seismically deficient patient-care facilities	260,000
(18)	Working drawings and construct Sacramento Medical Center—California Administrative Code (CAC) deficiencies, step 1	177,000
(19)	Acquisition of County Health Building, Sacramento Medical Center	1,675,000

provided, that no sums appropriated by subitems (17), (18), and (19) shall be expended unless and until a long-term agreement covering the University of California's ownership and operation of the Sacramento Medical Center is signed by the university and the County of Sacramento

(20)	Site acquisition, San Joaquin Valley Veterinary Medicine Clinical Facility	150,000

Item		Amount
	Los Angeles—Health Sciences:	
(22)	Construct health sciences center, correct safety deficiencies.....	998,000
	San Diego—Health Sciences:	
(23)	Working drawings and construct health sciences, CAC deficiencies, step 1 (elevators)	234,000

provided, that notwithstanding the provisions of Section 3.2 of this act the appropriations made in this item for equipment items shall be available for expenditure only during the 1977–78 and 1978–79 fiscal years.

GENERAL SECTIONS

SEC. 4. Notwithstanding any other provisions of this act, no appropriations made by this act, or funds obtained from any other source, in an amount in excess of $25,000, may be expended by any state entity for electronic data processing services, equipment, facilities, personnel, or supplies for any single electronic data processing activity, and no funds, regardless of amount, may be expended for computer central processing units or proprietary software, as such terms are defined in the State Administrative Manual, unless the director of the state entity certifies, and the Director of Finance determines and states in writing, that the procedures, including those relating to confidentiality and security of data, set forth in the State Administrative Manual to implement this section have been met and followed. The provisions of this section shall not apply to expenditures for continuing previously approved efforts, as defined in the State Administrative Manual, including added costs due to merit salary increases and inflation.

If funds subject to this section are to be encumbered pursuant to a contract, each such contract in excess of $25,000 shall be competitively bid except (a) when the Department of Finance determines that an article or service is the only article or service which can meet the needs of the state entity, or (b) in cases of emergency where immediate acquisition is necessary for the protection of the public health, welfare, or safety, as determined by the Director of Finance, or (c) when the Department of Finance determines that the interests of the state are best served through other competitive methods, including competitive negotiation. The Department of Finance, with the assistance of the Department of General Services, shall maintain in the State Administrative Manual appropriate criteria and procedures to ensure compliance with the contract-letting policies set forth in this section. The Department of Finance shall submit all modifications of the manual's criteria and

procedures to the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee 30 days prior to the adoption of such criteria and procedures. The Department of Finance shall notify each such committee chairman 30 days prior to each use of other competitive methods, including competitive negotiation, as specified in clause (c) above, in any procurement exceeding $25,000. If such contract is for the lease of electronic data processing equipment, it shall be in the form of the model contract for lease of electronic data processing systems and components, as contained in the State Administrative Manual. No portion of the model contract shall be deleted or stricken unless such portion is clearly inappropriate and not applicable for the specific items of equipment being leased and the Departments of Finance and General Services concur in the deletion.

The Department of Finance, coordinating with the Department of General Services, may revise the model lease contract by appropriate changes to the State Administrative Manual for the purpose of improving contractual terms and conditions to obtain increased benefits to the state. Any such proposed change shall, to the extent practicable, result from consultation with computer vendors, which shall, if possible, include manufacturers of small, medium, and large equipment. In addition, any such changes shall be submitted to the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee 30 days prior to approval and adoption of any such new model lease contract language.

In any procurement subject to this section involving the replacement of a computer central processing unit, if only one bid is received and that bid is from the vendor whose equipment is being replaced, a notification of an intent to award a contract to such sole bidder shall be submitted to the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee 30 days prior to an award of contract The notification of intent to award a contract to such sole bidder shall describe the rationale for the award and the measures taken by the state to elicit more than one bid.

The Department of Finance may impose additional requirements that are more stringent than those set forth in the State Administrative Manual with respect to any particular procurement if the Director of Finance determines that such requirements will best serve the needs of the state.

The provisions of this section shall not apply to the University of California, the State Compensation Insurance Fund, the community college districts, agencies provided for by Article VI of the Constitution, or the Legislature.

SEC. 5. Because it is necessary to insure the availability of adequate equipment for physical facilities constructed for the operation of custodial, mental health, educational, administrative, military, and other agencies of the state government; because

uncertainties as to completion dates make precise advance planning of equipment purchases impossible; and since delivery of some kinds of equipment cannot be made for six months or longer from the date of ordering; state agencies are therefore authorized to incur obligations, to be met during the 1978–79 fiscal year, for the purchase of equipment related to capital outlay projects for which the Legislature has appropriated construction funds; provided, that no obligation shall be incurred under the provisions of this section without the approval of the Department of Finance and the State Public Works Board. Purchase orders issued and contracts entered into under the provisions of this section shall not exceed a total of two million dollars ($2,000,000) in estimated cost.

SEC. 6.1. None of the funds appropriated under Section 2 of this act may be expended for any project for the alteration of a state building requiring total expenditures of $100,000 or more. Any such project requiring total expenditures of $25,000 to $100,000, inclusive, shall be reported by the Director of General Services to the Chairman of the Joint Legislative Budget Committee, or his designee, at least 30 days prior to requesting bids for the project. Any such project requiring total expenditures of $5,000, but less than $25,000, during the 1976–77 fiscal year shall be reported by the Director of General Services to the Chairman of the Joint Legislative Budget Committee, or his designee, by October 1, 1977.

SEC. 7. Any acquisition of land or other real property included in any appropriation made herein except appropriations from the California Water Fund or the State Highway Account, State Transportation Fund or appropriations to the Board of Governors of the California Community Colleges for allocation to the community college districts shall be subject to the provisions of the Property Acquisition Law.

All property acquisitions, notwithstanding other exemptions of this section, shall be reported to the State Public Works Board.

SEC. 8. No money appropriated herein in any item for capital outlay may be expended by any state agency, including the University of California, the California State University and Colleges and the community colleges, except amounts for acquisition of land or other real property, amounts needed for equipment, minor projects and amounts appropriated specifically for preliminary surveys, studies and planning until the State Public Works Board and the Department of Finance have approved preliminary plans for the project to be financed from such item of appropriation for capital outlay with the exception that community college approvals by the Public Works Board will apply only to the allocation of state capital outlay funds appropriated heretofore and hereafter by the Legislature; including land acquisition and equipment funds; provided further, that unless excepted by the conditions of Section 81844 of the Education Code, the Public Works Board shall not approve for allocation any appropriated amounts for working drawings or construction where said working drawings or

construction have been started by a community college prior to approval of the state-appropriated amounts by the Public Works Board, and all such amounts not approved by the board under this criterion shall be reverted to the unappropriated balance of the appropriate fund; provided further, no major project for which appropriation is made hereunder regarding which the Director of Finance or his authorized representative requests review of working plans shall be put out to bid until the working plans therefor have been approved by the Department of Finance; provided further, that no money appropriated herein may be spent for working drawings for any project as to which there has been made substantial change or changes from the preliminary plans as approved by the State Public Works Board and the Department of Finance unless there has first been obtained the approval of the Department of Finance to make such change or changes; provided further, that no more than one thousand dollars ($1,000) of the money appropriated herein may be spent for any single unit of equipment until prior approval for purchase of such equipment shall have been given by the Department of Finance.

Nothing in this section shall be construed to limit or control the Department of Transportation in the expenditure of State Highway Account, State Transportation Fund money appropriated for capital outlay purposes.

The Department of Transportation shall report to the State Public Works Board the expenditures for capital outlay, except minor projects, from appropriations contained in this act.

SEC. 8.1. (a) The Director of Parks and Recreation may not advertise, negotiate, renegotiate, or amend any concession contract, operating lease, or nongovernmental agreement which involves a total investment for any private party in excess of $100,000 or involves projected concessionaire gross receipts in excess of $100,000 on an annual basis under the terms of such agreement unless the director first obtains approval of the State Public Works Board. Prior to granting such approval, the State Public Works Board shall make a finding that the proposed concession operation was approved by the Legislature or could not have reasonably been presented to the Legislature through the annual budgeting process.

(b) In addition, none of the access, picnic, restroom, or camping facilities constructed with funds appropriated by this act shall be operated pursuant to any new or existing concession agreement unless the justification for the appropriation presented to the Legislature has included such concession operation.

(c) This section shall not apply to the California Exposition and State Fair.

SEC. 8.2. No expenditure for park furnishings shall be made from any appropriation contained in this act for expenditure by the Department of Parks and Recreation unless the department has made reasonable efforts to acquire such furnishings on a consolidated procurement basis. The department shall provide reasonable

demonstration of such consolidated procurement to the Public Works Board and the Office of Procurement of the Department of General Services before the board and office authorize an expenditure or approve procurement.

SEC 8.3. The Controller may not disburse funds from any appropriation or reappropriation for acquisition made to the Department of Parks and Recreation by this act to pay for any property rights, however secured or received, until the State Public Works Board has approved the transaction. In addition, the Attorney General and the Department of General Services shall inform the State Public Works Board of every action in inverse condemnation served upon either or both of them, which pertains to any acquisition for the state park system, by placing an item on the state board's agenda.

SEC. 8.5. In making appropriations to state agencies which are eligible for federal assistance programs, it is the intent and understanding of the Legislature that applications made by such agencies for federal funds under any such programs shall be for the maximum amount allowable under federal law

SEC. 9. Notwithstanding any other provision of law, the portion of each sum of money heretofore appropriated or allocated, hereby appropriated or hereafter allocated to the Regents of the University of California for capital outlay which remains after the purpose for which each said sum was appropriated or allocated has been accomplished, and which have been or hereafter are withdrawn from the State Treasury by the Regents of the University of California pursuant to the provisions of Section 23201 of the Education Code, together with increments, by way of interest or otherwise, on any such appropriation or allocations, shall be used and expended by the Regents of the University of California in executing and furthering the building and improvement program of the University of California; provided, that no such sums shall be allocated by the Regents of the University of California to projects for the purpose of augmenting those projects without prior approval of the State Public Works Board of the requested augmentation. Such sums shall be available for expenditure in payment of any encumbrances heretofore or hereafter incurred without regard to fiscal years; provided, however, that any unencumbered balances existing as of the date on which each such appropriation or allocation otherwise would lapse, shall then revert.

SEC. 10.05. GENERAL

Notwithstanding any other provisions of law, the undisbursed balances, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes provided in such appropriations and shall be available for expenditure until June 30, 1978.

a. Department of General Services:
General Fund:
1. Item 375.1(a), Budget Act of 1974—demolition of existing state office building and preliminary plans, working drawings for the new state building—Los Angeles.
2. Item 375(a), Budget Act of 1974—correct fire and life safety hazards—agriculture building annex.
3. Item 373(a), Budget Act of 1976—planning and construction—new state building—Sacramento (Site #1, phase A).
4. Item 373(c), Budget Act of 1976—planning—new state building and parking garage—Sacramento (Site #1, phase B).
5. Item 373(f), Budget Act of 1976—planning—new Department of Justice building—Sacramento.
6. Item 373(g), Budget Act of 1976—alterations—State Compensation Insurance Fund building—San Francisco.
7. Item 373(h), Budget Act of 1976—alterations—state building—San Francisco.
8. Item 373.1(a), Budget Act of 1976—water supply system, central heating and cooling plant—Sacramento.

b. Department of Veterans Affairs:
General Fund:
1. Item 374(a), Budget Act of 1976—modifications to sewage treatment plant.
2. Item 374(b), Budget Act of 1976—air-condition surgical suite

c. Legislative Counsel Bureau:
General Fund:
1. Item 12, Budget Act of 1976.

SEC. 10.06. BUSINESS AND TRANSPORTATION

Notwithstanding any other provisions of law, the undisbursed balances, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes provided for in said appropriations, and shall be available for expenditure until June 30, 1978.

a. Department of Motor Vehicles:
Motor Vehicle Account, State Transportation Fund:
1. Item 377(a), Budget Act of 1974—construct office building and parking facilities—Oxnard
2. Item 377(b), Budget Act of 1974—construct office building and parking facilities—Placerville
3. Item 377(c), Budget Act of 1974—construct office building and parking facilities—North Metropolitan San Diego area
4. Item 377(d), Budget Act of 1974—construct office building and parking facilities—San Fernando

6. Item 362 Budget Act of 1975—working drawings for office buildings and parking facilities as shown in the following subitems:

Item 362(a)—Oceanside	$59,200
Item 362(b)—San Pedro	52,500
Item 362(c)—Torrance	61,800
Item 362(d)—Pleasanton	60,000
Item 362(e)—South Lake Tahoe	37,100
Item 362(h)—Compton	68,560
Item 362(i)—Los Angeles, southern headquarters	79,880
Item 362(j)—Oroville	46,500
Item 362(k)—Woodland-Davis	47,300
Item 362(*l*)—Santa Barbara	59,600

7 Item 378(bx), Budget Act of 1976—construct office building and parking facilities—Santa Rosa

8. Item 378(c), Budget Act of 1976—construct office building and parking facilities—Santa Cruz (Capitola)

b Department of Transportation:

State Highway Account, State Transportation Fund (federal funds):

1. Item 200, Budget Act of 1975—Local assistance—highway safety improvements and federal urban system.
2. Item 360, Budget Act of 1975—Capital outlay—highway safety improvements.
3. Item 205, Budget Act of 1976—Local assistance—highway safety improvements and federal urban system.
4. Item 376, Budget Act of 1976—Capital outlay—highway safety improvements.

Environmental Protection Program Fund:

5. Item 222, Budget Act of 1975, as reappropriated to the Department of Transportation by Section 10.07, Item (VV), Budget Act of 1976—external combustion engine

c Department of the California Highway Patrol:

Motor Vehicle Account, State Transportation Fund:

1. $400,000 of the unexpended balance of the amount appropriated by Item 207(b), Budget Act of 1976, is reappropriated to the Department of the California Highway Patrol for the purpose of purchasing bulletproof vests in conformance with the provisions of Chapter 951, Statutes of 1976, and any balance of such $400,000 may not be used for any other purpose and shall revert to the Motor Vehicle Account in the State Transportation Fund.

SEC. 10.07. RESOURCES

Notwithstanding any other provisions of law, the undisbursed balances, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the

purposes provided for in said appropriations, and shall be available for expenditure until June 30, 1978.

a Department of Conservation:

General Fund:

2 Item 378(h), Budget Act of 1974—construct Mattole forest fire station.

3. Item 378(i), Budget Act of 1974—equip Mattole forest fire station.

4 Item 378(j), Budget Act of 1974—construct Coarsegold forest fire station.

5 Item 378(k), Budget Act of 1974—equip Coarsegold forest fire station.

7. Item 378(o), Budget Act of 1974—equip Tularcitos forest fire station.

12. Item 378(t), Budget Act of 1974—construct Ramona forest fire station.

13. Item 378(u), Budget Act of 1974—equip Ramona forest fire station.

16. Item 378(y), Budget Act of 1974—construct Mt. Bullion Youth Authority conservation camp office building.

17. Item 378(z), Budget Act of 1974—equip Mt. Bullion Youth Authority conservation camp office building.

18. Item 379(a), Budget Act of 1976—land acquisition and working drawings, Hollister forest fire station.

b Wildlife Conservation Board:

Bagley Conservation Fund:

1. Item 350.3, Budget Act of 1973—acquisition of coastal wildlife areas and adjacent lands at Tomales Bay in Marin County

2. Item 379.5, Budget Act of 1974—acquisition of coastal wildlife areas and adjacent lands of Tomales Bay in Marin County

c Department of Parks and Recreation:

General Fund:

3. Section 1(d), Chapter 983, Statutes of 1973—Hendy Woods State Park—acquisition

4 Section 1(i), Chapter 983, Statutes of 1973—Leo Carrillo State Beach—acquisition

5. Chapter 1139, Statutes of 1973—North Coastal—acquisition

6. Section 2(a), Chapter 1174, Statutes of 1973—Century Ranch—acquisition

Hostel Facilities Use Fees, General Fund:

7. Item 383.3(b), Budget Act of 1974—Mendocino Headlands—land acquisition

8. Section 2(a), Chapter 1529, Statutes of 1974—acquisition of riding, hiking and bicycle trails

9. Item (b), Chapter 1529, Statutes of 1974—development of riding, hiking, and bicycle trails

Bagley Conservation Fund:

10. Item 318.2(a)(1), Budget Act of 1972—inholding purchases

11. Item 318.2(b)(13), Budget Act of 1972—Point Mugu State Park
12 Item 318.2(b)(14), Budget Act of 1972—Angel Island State Park
13. Chapter 1423, Statutes of 1972—Santa Cruz Mountains Area, Unit No. 417
14. Item 350(k), Budget Act of 1973—Old Town San Diego State Historic Park—land acquisition
15. Item 350(1), Budget Act of 1973—Red Rock Canyon—land acquisition
16. Item 350(o), Budget Act of 1973—San Onofre State Beach—for development
17. Item 350(t), Budget Act of 1973—inholding purchases
18. Item 350(aa), Budget Act of 1973—Sonoma Coast State Beach—land acquisition
20. Item 350(dd), Budget Act of 1973—Manchester State Beach—land acquisition
21. Item 350(ee), Budget Act of 1973—Fort Ross—land acquisition
22 Item 350(gg), Budget Act of 1973—Candlestick Park—land acquisition
23. Item 350(nn), Budget Act of 1973—Wilder Ranch—land acquisition
25. Item 350(pp), Budget Act of 1973—MacKerricher State Park—land acquisition
26. Item 350(uu), Budget Act of 1973—Empire Mine—land acquisition
28. Item 383(c), Budget Act of 1974—acquisition costs
29. Item 383(f), Budget Act of 1974—MacKerricher State Park—for development
30. Section 1(c), Chapter 1521, Statutes of 1974—augmentation for land acquisition, condemnation proceedings for Bagley Conservation Fund projects
31. Section 1(d), Chapter 1521, Statutes of 1974—augmentation for land value increases, land acquisition, for Bagley Conservation Fund projects
32. Section 1(e), Chapter 1521, Statutes of 1974—opportunity purchases, land acquisition
33. Section 1(f), Chapter 1521, Statutes of 1974—Bear Harbor project augmentation—land acquisition
34. Section 1(g), Chapter 1521, Statutes of 1974—Usal Ranch project augmentation—land acquisition
35. Section 1(h), Chapter 1521, Statutes of 1974—Mendocino Headlands augmentation—land acquisition
37. Section 1(*l*), Chapter 1521, Statutes of 1974—Fort Ross State Historical Monument augmentation—land acquisition
38. Section 1(m), Chapter 1521, Statutes of 1974—Tomales Bay—land acquisition

39. Section 1(n), Chapter 1521, Statutes of 1974—Inverness Ridge augmentation to previously funded project—land acquisition
41. Section 1(r), Chapter 1521, Statutes of 1974—Doheny State Beach—land acquisition
42. Section 1(s), Chapter 1521, Statutes of 1974—Salt Point State Park—land acquisition
43. Section 1(t), Chapter 1521, Statutes of 1974—Century Ranch extension—land acquisition
45. Section 1(v), Chapter 1521, Statutes of 1974—Red Rock Canyon State Recreation Area—land acquisition
46. Section 1(w), Chapter 1521, Statutes of 1974—Poppy Preserve project—land acquisition
48. Section 1(cc), Chapter 1521, Statutes of 1974—Leo Carrillo State Beach extension—land acquisition
49. Section 1(ff), Chapter 1521, Statutes of 1974—Las Tunas Beach project—land acquisition
49.1. Subdivision (a) of Section 1, Chapter 1521, Statutes of 1974—project planning and acquisition costs

Collier Park Preservation Fund:

50. Item 386(p), Budget Act of 1976—American River Trail—acquisition and development
50.1. Item 386(d), Budget Act of 1976—Fort Ross State Historic Park, construct visitors center

Off-Highway Vehicle Fund:

51. Section 2(a), Chapter 542, Statutes of 1974—The sum of one million four hundred thousand dollars ($1,400,000) to the Department of Parks and Recreation for the acquisition of an interest in real and personal property located in San Benito County.
51.1. Item 277.1(a), Budget Act of 1974, River Front Park Off-Highway Motor Vehicle Facility, City of Marysville, for acquisition and development
51.2. Item 277.1(b), Budget Act of 1974, Off-Highway Motor Vehicle Facility, City of Davis, for acquisition and development

State Park Contingent Fund:

52. Item 318.1(a), Budget Act of 1972—Humboldt Redwoods State Park—land acquisition
53. Item 382(a), Budget Act of 1974—Humboldt Redwoods State Park—land acquisition (Land and Water)
54. Item 382(c), Budget Act of 1974—Ward Creek—land acquisition
55. Item 382(e), Budget Act of 1974—Big Basin—land acquisition
57. Item 382.1(a), Budget Act of 1974—Humboldt Redwoods State Park—land acquisition
58. Item 382.2(a), Budget Act of 1974—Anza-Borrego Desert State Park—land acquisition

d. Department of Navigation and Ocean Development:
Harbors and Watercraft Revolving Fund:
1. Item 381(c), Budget Act of 1976—Improvements to launching ramp—Millerton Lake State Recreation Area

SEC. 10.08. HEALTH AND WELFARE

Notwithstanding any other provisions of law, the unencumbered balances, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes provided for in such appropriations, and shall be available for expenditure until June 30, 1978

a. Office of Alcoholism:
General Fund:
1. Item 280.1, Budget Act of 1976—public inebriate demonstration project

b. Department of Health:
1. Item 390(a) (14), Budget Act of 1976, for fire and life safety
2. Item 390(a) (44), Budget Act of 1976, for fire and life safety
3. Item 386(h), Budget Act of 1974, for fire and safety hazards
4. Chapter 1507, Statutes of 1974, Section 3, hemophilia services

c. Department of Corrections:
1. Item 393(c), Budget Act of 1976, for remodeling or replacing the sewage plant at the California Conservation Center
2. Item 393(f), Budget Act of 1976, to construct a milking facility at the California Institution for Men

d. Department of Aging·
1. Item 278.1, Budget Act of 1976, for development of a plan on aging

e. Office of Alcoholism·

Notwithstanding any other provision of law, the unencumbered balance, on the effective date of this act, of the appropriation provided in the following citation, is reappropriated to provide a 6 percent cost-of-living increase for alcoholism programs to those counties which have approved alcoholism programs during the period from July 1, 1977, to June 30, 1978, and shall be available for expenditure until June 30, 1978.

General Fund:
(1) Item 280(f), Budget Act of 1976, county-based alcoholism programs

SEC. 10.09. EDUCATION

Notwithstanding any other provisions of law, the undisbursed balances, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes provided for in said appropriations, and shall be available for expenditure until June 30, 1978.

a. California State University and Colleges:
Capital Outlay Fund for Public Higher Education:
State University, Chico:
1. Item 395(11), Budget Act of 1974—construction for converting old library for faculty offices
Humboldt State University:
3. Item 361(33), Budget Act of 1973—construction for converting library (laboratory) school
State University, Long Beach:
4. Item 395(3), Budget Act of 1974—construct industrial technology building
State University, Sacramento:
5. Item 397(31), Budget Act of 1974—construct existing library conversion
State College, San Bernardino:
6. Item 395(7), Budget Act of 1974—construct arts building
San Diego State University:
7. Item 397(52), Budget Act of 1974—construct art building
8. Item 395(1.5), Budget Act of 1974—construct humanities classroom building I
State College, Sonoma:
9. Item 395(5), Budget Act of 1974—construct arts building
State University, San Jose:
11. Item 363.5(4), Budget Act of 1973—working drawings for corporation yard II, as reappropriated by Section 10.09, Budget Act of 1976
California State College, Dominguez Hills:
12. Item 361(42), Budget Act of 1973—construct theater arts building, as reappropriated by Section 10.09, Budget Act of 1976
13. Item 361(45), Budget Act of 1973—construct classroom office building, as reappropriated by Section 10.09, Budget Act of 1976
California State University, Fullerton:
14. Item 362(11), Budget Act of 1973—construct education classroom building, as reappropriated by Section 10.09, Budget Act of 1976
b. University of California:
Health Sciences Facilities Construction Program Fund:
Universitywide, Health Sciences:
1. Item 409(3.1), Budget Act of 1974, as reappropriated by Section 10.8 of the Budget Act of 1976—planning for the veterinary medicine field facilities
San Francisco Health Sciences:
2. Item 409(20.1), Budget Act of 1974—working drawings and construct community dental clinics
Davis Health Sciences:
3. Item 416(9), Budget Act of 1976—working drawings for Sacramento Medical Center improvements (alterations), 1975–76, 1976–77

4. Item 416(10), Budget Act of 1976—working drawings, Sacramento Medical Center, replacement of patient-care facilities

c Department of Education:

General Fund:

1. Paragraph (1) of subdivision (a) of Section 6 of Chapter 978, Statutes of 1976—administration and evaluation of bilingual education programs
2. Item 322.1, Budget Act of 1975, as reappropriated by Section 10.07kk, Budget Act of 1976—development of a bilingual scholastic achievement test in the Spanish language

SEC 10.15 (a) As of June 30, 1977, the unencumbered balance of the appropriation made by Section 2 of Chapter 123 of the Statutes of 1975 shall revert to the General Fund.

(b) As of July 1, 1977, the amount that reverted pursuant to subdivision (a) is hereby appropriated from the General Fund to the Wildlife Conservation Board for expenditure during the 1977–78 fiscal year for the acquisition of lands. Such acquisition shall be made for the purposes of Section 1880, and in accordance with the provisions of Section 1881, of the Fish and Game Code until such date as Assembly Bill No. 1717 of the 1977–78 Regular Session of the Legislature becomes operative, and on and after such date such acquisition shall be made pursuant to Section 29305 of the Public Resources Code.

SEC. 10.20 As of June 30, 1977, the unexpended balance of the appropriation made by Item 104, Budget Act of 1976, shall revert to the unappropriated surplus of the General Fund.

As of July 1, 1977, the amount reverted as of June 30, 1977, for Item 104, Budget Act of 1976, is reappropriated and shall be available until June 30, 1978, and may be expended on written authorization of the Department of Finance issued on or before said date, for emergencies, within the meaning of said item, occurring during the 1976–77 fiscal year

SEC. 10.25 Notwithstanding any other provision of law, as of July 1, 1977, $500,000 of the unexpended balance of the amount appropriated by Item 360, Budget Act of 1976, is reappropriated to Item 324, of this act, to be available for allocation to campuses of less than 10,000 full-time equivalent students (FTE) whose 1977–78 FTE fall annualized FTE enrollment exceeds budgeted FTE enrollment, and allocations shall be made by the Chancellor's office based upon marginal costs of instruction, as approved by the Department of Finance. The Department of Finance shall report such approvals to the Joint Legislative Budget Committee. This section shall not be interpreted in such a way as to establish precedent or influence other similar circumstances

SEC. 10.30. Notwithstanding any other provision of law, as of July 1, 1977, $2,000,000 of the unexpended balance of the amount appropriated by Item 281, Budget Act of 1976, is reappropriated for

transfer to and in augmentation of Item 292(a), Budget Act of 1977, and shall be available for expenditure until June 30, 1978.

SEC. 10.35. Notwithstanding any other provision of law, as of June 30, 1978, the unencumbered balance of the appropriation made by Item 324 of this act in excess of $3,000,000, but not more than $500,000, which otherwise would revert as of June 30, 1978, is reappropriated to, and shall be available to, the Trustees of the California State University and Colleges until June 30, 1979, for the elimination of safety hazards (Cal OSHA) on campuses in the system subject to written authorization of the Department of Finance.

SEC. 10.40. Notwithstanding any other provisions of law, as of July 1, 1977, an amount not to exceed $500,000 of the amount specified in category (2) of the schedule of subdivision (b) and an amount not to exceed $50,000 of the amount specified in category (3) of the schedule of subdivision (c) of Section 8460 of the Education Code, are hereby reappropriated for the purposes provided in such appropriation and shall be available for expenditure until June 30, 1978.

SEC. 10.45. As of June 30, 1977, $200,000 of the unencumbered balance of funds appropriated by Item 342, Budget Act of 1976, is reappropriated to the Department of Education, Division of Libraries, for the purpose of implementing an automated circulation and inventory control system in the Books for the Blind and Physically Handicapped Section; provided that total expenditures for such automation in the 1976–77 and 1977–78 fiscal years shall not exceed $412,980.

SEC. 10.50. Notwithstanding any other provisions of law, as of July 1, 1977, $5,944,740, of the unexpended balance of the appropriation made by Item 389(a), Budget Act of 1974 to the Department of Education, is hereby reappropriated to the Department of Education as set forth in the schedule below, subject to the approval of the State Public Works Board, and shall be available for expenditure until June 30, 1978.

Schedule:

School for the Blind:

(1) Construct administrative services	181,190
(2) Construct classroom buildings, blind/multihandicapped unit, deaf/blind unit, assessment center, music portion of the auditorium and staff areas	3,021,050
(3) Construct media center	407,800
(4) Construct auditorium	358,150
(5) Construct physical education and recreation center	1,214,600
(6) Construct food service unit	746,300
(7) Working drawings for health care unit	15,650

SEC. 10.55. Notwithstanding any other provision of law, as of July 1, 1977, $30,000 of the unexpended balance of the amount appropriated by Item 367, Budget Act of 1976 is reappropriated for

transfer to, and in augmentation of, category (b) of Item 329 of this act, and shall be available for expenditure until June 30, 1978.

SEC. 10.60. As of June 30, 1977, the unencumbered balance of funds appropriated by Item 305(c) of the Budget Act of 1976, or so much thereof as may be necessary, is reappropriated to the Department of Benefit Payments, in lieu of the purpose specified in that item, for the sole purpose of repaying a loan from the Emergency Fund made during the 1976–77 fiscal year for the support of a federally mandated food stamp program administered by the department.

SEC. 10.70. The Reserve Account in the General Fund, continued in existence by Section 10.7 of the Budget Act of 1976, is hereby continued in existence and is continuously appropriated to the State Energy Resources Conservation and Development Commission, to be allocated to the commission by the Director of Finance as follows:

(a) $250,000 shall be allocated to the commission for transfer, by contractual agreement, to the Solid Waste Management Board for the research and demonstration project for conversion of agricultural waste to synthetic fuel utilizing a mobile converter in accordance with Section 66786.5 of the Government Code; provided that the commission may enter into such a contract not sooner than 30 days after notification in writing of the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairman of such committee or his designee may determine.

(b) The Director of Finance may allocate to the commission, in augmentation of Item 179 of this act, such amounts as may be necessary to provide the increases in compensation to the state officers and employees of the commission provided for in any increased salary range or rate, including staff benefits, established on or after July 1, 1977, by the State Personnel Board or the Department of Finance.

(c) The Director of Finance may allocate such amounts to the commission for cash-flow purposes under such terms and conditions as he may prescribe; provided, that the amounts appropriated by this section shall not be classified by the Board of Equalization as an unappropriated balance in the Special Account for the purpose of establishing the surcharge rate, as provided in Section 40031 of the Revenue and Taxation Code.

(d) From time to time, the Director of Finance may allocate to the commission, in augmentation of Item 179 of this act, such amounts as may be necessary to carry out the commission's responsibility in processing notices of intent pursuant to Chapter 6 (commencing with Section 25500) of Division 15 of the Public Resources Code, not sooner than 30 days after notification in writing of the necessity therefor to the chairman of the committee in each house which considers appropriation and the Chairman of the Joint Legislative Budget Committee, or not sooner than such lesser time

as the chairman of such committee, or his designee, may in each instance determine.

SEC. 11.06. BUSINESS AND TRANSPORTATION

As of June 30, 1977, the unencumbered balance of the appropriations provided in the following citations shall revert to the unappropriated surplus of the fund from which the appropriation was made:

a. Department of Motor Vehicles:
   General Fund:
   1. Chapter 657, Statutes of 1975, Petit jury panel selection.
   2. Chapter 1198, Statutes of 1975, identification cards.
   Motor Vehicle Account, State Transportation Fund:
   3. Chapter 182, Statutes of 1975, occupational licensing.
   4. Chapter 700, Statutes of 1975, proof of vehicle identification numbers.
   5. Chapter 943, Statutes of 1975, new motor vehicle board/motorcycle dealers
   6. Chapter 1050, Statutes of 1975, off-highway vehicles.

SEC. 11.07. RESOURCES

As of June 30, 1977, the unencumbered balance of the appropriations provided in the following citations shall revert to the unappropriated surplus of the fund from which the appropriation was made:

a. Department of Parks and Recreation:
   Off-Highway Vehicle Fund:
   1. Item 257(b), Budget Act of 1975—Old Trails Motorcycle Park, Victorville Recreation and Park District, for acquisition and development.
   2. Item 257(d), Budget Act of 1975—Cerritos Motorcycle Park, City of Cerritos, for acquisition and development.
   3. Item 257(e), Budget Act of 1975—McGill Off-Highway Vehicle Park, County of Sacramento, for acquisition and development.
   4. Item 257(f), Budget Act of 1975, Delta Motocross Park, Walnut Creek Recreation Area, City of Baldwin Park, for acquisition and development.
   5. Item 272(e), Budget Act of 1976—City of San Jose, Multi-Use Off-Road Vehicle Racing Track.
b. Department of Water Resources:
   General Fund:
   1. Item 431(d), Budget Act of 1963—Lands, easements and rights-of-way for Calaveras River and Littlejohn Creek and Tributaries flood control projects.
   2. Item 366, Budget Act of 1968—Lands, easements and rights-of-way for Sacramento and San Joaquin watershed flood control projects.

3. Item 276.5, Budget Act of 1969—Lands, easements and rights-of-way for Sacramento and San Joaquin watershed flood control projects.
4. Item 388(b), Budget Act of 1976—Lands, easements and rights-of-way for the Fairfield flood control project.
5. Item 389(b), Budget Act of 1976—Sutter maintenance building and improvements.

SEC. 11.08. HEALTH AND WELFARE

As of June 30, 1977, the unencumbered balance of the appropriations provided in the following citations shall revert to the unappropriated surplus of the fund from which the appropriation was made:

a. Department on Aging:
General Fund:
1. Chapter 239, Statutes of 1974—flu vaccine.

b Office of Educational Liaison:
General Fund:
1. Chapter 1177, Statutes of 1972—innovative child care.

c. Department of Health:
General Fund:
1. Chapter 578, Statutes of 1971—Welfare Reform Act of 1971
2. Chapter 1781, Statutes of 1971—Health maintenance organizations.
3. Chapter 1207, Statutes of 1976—physician services.

SEC. 11.50. Notwithstanding any other provision of law, as of June 30, 1977, the unencumbered balance of the appropriations provided in the following citations, including any federal reimbursements applied to each such citation, shall revert to the unappropriated balance of the Motor Vehicle Account in the State Transportation Fund.

1. Item 319(e), Budget Act of 1967.
2. Item 346(d), Budget Act of 1968.
3. Item 400(a), Budget Act of 1969.
4. Item 333(a), Budget Act of 1970.
5. Item 333(i), Budget Act of 1970.
6. Item 296(a), Budget Act of 1971.

SEC. 11.70. Funds appropriated for the Master Plan for Special Education Pilot Program by Item 288, Budget Act of 1977, may be expended by the Superintendent of Public Instruction after he has certified the amount of federal funds which may be lawfully used for the purposes of the Master Plan for Special Education Pilot Program and the Director of Finance has approved the certification The Director of Finance shall, with the approval of the Joint Legislative Budget Committee, reduce the funds appropriated by Item 288, Budget Act of 1977, by the amount of federal funds certified by the Superintendent of Public Instruction and approved by the Director

of Finance, which amount shall revert to the unappropriated surplus of the General Fund.

Prior to November 1, 1977, the Controller shall pay no more than $17,500,000 in claims against Item 288, Budget Act of 1977, after that date, the Controller shall not pay any additional claims against Item 288, Budget Act of 1977, unless the Superintendent of Public Instruction has certified and the Director of Finance has approved the certification of federal funds available for the purposes of the Master Plan for Special Education Pilot Program.

SEC. 12.70. The sum of two hundred fifty-five thousand dollars ($255,000) is hereby appropriated from the Highway Users Tax Account in the Transportation Tax Fund for transfer by the State Controller on July 1, 1977 to the State Park Highway Account in the Bagley Conservation Fund. The funds thus transferred shall be used only for the purposes specified in subdivision (b) of Section 2107.7 of the Streets and Highways Code, and are in addition to the funds transferred pursuant to subdivision (a) of Section 2107.7 of the Streets and Highways Code.

SEC. 12.80. Notwithstanding any other provision of law, the unappropriated balance and unencumbered balances of any appropriations in, or made from, the Hearst San Simeon Historical Monument Special Account in the General Fund as of June 30, 1977, shall revert to the unappropriated balance of the General Fund as of June 30, 1977.

SEC. 12.81. Notwithstanding any other provision of law, the unappropriated balance and unencumbered balances of any appropriations in, or made from, the San Francisco Maritime State Historic Park Account in the General Fund, as of the date the San Francisco Maritime State Historic Park is transferred to the United States Park Service, Department of the Interior, for inclusion in the Golden Gate National Recreation Area, shall revert to the unappropriated balance of the General Fund.

SEC. 12.82. Notwithstanding any other provision of law, an amount not to exceed $50,000 of the amount appropriated in category (2) of subdivision (c) of Section 5 of Chapter 1440 of the Statutes of 1976 is reappropriated to the Department of Parks and Recreation for the restoration of cabins for use as hostels at Steep Ravine, Mount Tamalpais State Park.

SEC. 13. The Department of Health shall submit quarterly to the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee all of the following information: (1) local mental health expenditures by county, (2) any changes to county mental health allocations, and (3) all requests for new county mental health programs, together with the action taken on such requests by the Department of Health.

SEC. 14. None of the funds to be allocated by the Director of Finance as loans to the State Air Resources Board pursuant to Item 187, of this act, or appropriated for support of the Air Resources

Board by this act, shall be expended for any increase in, extension of or contract with private parties for, a mandatory vehicle emission inspection program, until all of the following actions have occurred

(a) The State Air Resources Board formally approves and submits to the Legislature a report on the Mandatory Vehicle Inspection program, which shall include:

(1) An evaluation of the effectiveness of emissions testing for oxides of nitrogen and the board's conclusions regarding integrating such testing into the program;

(2) Consideration of the existing and future technological developments with respect to both reducing and oxidizing catalytic converters and the board's conclusions regarding the best methods to test catalytic converter equipped vehicles;

(3) A specific test procedure to be used in the program and the degree of diagnostic testing proposed;

(4) An evaluation of the advantages and disadvantages of operation of inspection stations by a private contractor and a recommendation thereon;

(5) An analysis of recommended inspection station sites and Department of Motor Vehicles sites which have been reviewed,

(6) The effect on air quality of a program, if recommended, which would require vehicle inspection only upon change of ownership and the justification for delaying mandatory annual inspection until 1981.

(7) Relevant data from any experimental or operational testing program on which its findings and recommendations are based,

(8) Detailed costs estimates as approved by the Department of the California Highway Patrol for any random roadside testing by the patrol;

(9) An analysis of the use and flexibility of fixed test facilities and structures compared to portable or drive-in facilities; and

(b) A copy of any contract for the design of, construction of, operation of, or acquisition of land for, any vehicle emission inspection station with any private contractor has been submitted to each house of the Legislature at least 30 days prior to the effective date of the contract.

(c) The Director of Finance has provided notification for a period of 30 days of such contract, or any expenditure subject to control by this section, in writing to the Chairman of the Joint Legislative Budget Committee, or such lesser time as the chairman of the committee, or his designee, may determine.

In the event that the Legislature is not in session when a contract is submitted, the review pursuant to subdivision (b) above, shall be made by the Joint Legislative Budget Committee. Any contract submitted on or before June 30, 1977, shall be processed entirely under the provisions of Section 10.10 of the Budget Act of 1976, and in such event, this section shall have no application to such a contract

SEC. 15. It is the intent of the Legislature that the appropriations made by this act shall not be combined or used in any manner to avoid budgeting the salary or operating expenses of any position or

to achieve any purpose which has been denied by any formal action of the Legislature.

SEC. 18. Notwithstanding any statutes, regulations or state policy to the contrary, all contracts and interagency agreements for consultant or personal services, except such contracts as are expressly excluded below, shall, prior to their approval by the Department of General Services, be routed to the Department of Finance for review and approval. The Director of Finance shall, within 30 days of approving any such contract, so notify the Chairman of the Joint Legislative Budget Committee and the chairman of the committee in each house which considers appropriations.

The following types of contracts are excluded from the provisions of this section:

(a) Contracts that require payment of less than $14,300 per party per 12-month period.

(b) Contracts for hearing reporter services.

(c) Contracts for employer training programs which provide on-the-job training for workers.

(d) Contracts for rehabilitation services entered into by the Department of Rehabilitation.

(e) Contracts for maintenance or service of equipment.

(f) Contracts for electronic data-processing services reported under Section 4 of this act.

(g) Contracts related to any type of construction.

(h) Contracts for community mental health training entered into by the Centers for Training in Community Psychiatry, Department of Health, Health Treatment Systems.

(i) Contracts for library services entered into by the Department of Education.

(j) Contracts for removal of abandoned vehicles.

SEC. 19. On or before September 30, 1977, the State Controller shall transfer to the General Fund any amount of accumulated surplus in the Service Revolving Fund as of June 30, 1977, as follows: for the Office of State Printing totals in excess of $10,338,194, and for the remainder of the Service Revolving Fund totals in excess of $19,456,443 and shall apply the amount of such transfers first against any outstanding working capital advances and working capital property.

No machinery or equipment shall be purchased by or for the Office of State Printing except as provided for in this act and for emergency replacements.

The Director of General Services may authorize expenditures for an emergency replacement not sooner than 30 days after notification in writing of the necessity therefor to the chairmen of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairman of the committee, or his designee, may, in each instance determine.

No augmentation shall be made to the capital of the Service

Revolving Fund for the benefit of the Office of State Printing during the 1977–78 fiscal year except as specifically provided for in this act. Any proposed capital addition to the Service Revolving Fund for the benefit of the Office of State Printing for the 1978–79 fiscal year shall be included in the proposed budget for that fiscal year as an appropriation out of the General Fund.

Any surplus resulting from legislative printing shall be shown as a reimbursement to Item 10 of this act.

SEC. 19.6. It is necessary that the Student Aid Commission announce awards in the spring of each year, prior to the time the Budget Act containing the appropriation for this purpose is enacted, in order that students receiving the awards may have sufficient time to plan for entering school the following fall. Since the Student Aid Commission must announce in the spring of 1978 those individuals to whom California educational opportunity grants and graduate fellowships will be granted for the following fall semester of 1978 and since the Budget Act of 1978 may not be enacted in adequate time, the Student Aid Commission is authorized to announce the following awards during the 1977–78 fiscal year for awards to be in effect during the 1978–79 fiscal year, except that awards (1) in subdivision (a) in excess of 4.25 percent of the number of high school graduates of the previous fiscal year, (2) in subdivision (b) in excess of 5,375, and (3) in subdivision (c) in excess of 1,062, shall not be announced unless the Student Aid Commission has certified to the Director of Finance that there are federal funds available to the Student Aid Commission in an amount necessary to fund such awards after funding all eligible renewals in accordance with the provisions of Section 69532 of the Education Code:

(a) 14,900 new Cal grant awards as authorized by subdivision (a) of Section 69532 of the Education Code, in an amount not to exceed eighteen million five hundred twenty thousand seven hundred dollars ($18,520,700).

(b) 6,825 new Cal grant awards as authorized by subdivision (b) of Section 69532 of the Education Code, in an amount not to exceed six million three hundred eighty-eight thousand two hundred dollars ($6,388,200).

(c) 1,337 Cal grant awards as authorized by subdivision (c) of Section 69532 of the Education Code, in an amount not to exceed two million sixty thousand three hundred seventeen dollars ($2,060,317).

(d) Graduate fellowship winners for the awards authorized by Section 69678 of the Education Code, in an amount not to exceed three million eight hundred thousand dollars ($3,800,000).

SEC. 19.7. The Legislature recognizes that child care programs established and maintained pursuant to Chapter 1177 of the Statutes of 1972, have made valuable contributions towards insuring that public assistance recipients have been able to accept and maintain employment or related training. It is, therefore, the intent of the Legislature that the Department of Education shall insure that the following requirements are met:

(a) That counties shall comply with Section 8384 of the Education Code which requires counties to maintain their 1970–71 level of effort for child care services provided by county funds, and that those county funds shall be used to exceed the $1.28 an hour maximum state and federal reimbursement rate as established by Item 292 of this act, for child care programs.

The Department of Education shall insure that each county complies with Section 8384 of the Education Code in one of the two following manners:

(1) The Department of Education shall not issue funds to a child care contractor within a county until such time as that county certifies in writing to the Department of Education that the county has obligated its 1970–71 child care maintenance of effort funding level, pursuant to Section 8384 of the Education Code, to local county child care contractors. Such sums awarded by a county to a local child care contractor shall not adversely affect an agency's contract reimbursement with the Department of Education pursuant to Section 8380 of the Education Code.

(2) Each county, which has a 1970–71 maintenance of effort funding level for child care, pursuant to Section 8384 of the Education Code, shall transmit such sum to the Department of Education. Funds derived from each county shall be returned to each respective county's child care contractors as a grant award and not within the reimbursement control of Section 8380 of the Education Code.

The Department of Education shall notify all such programs and all such counties which maintained such programs during the 1976–77 fiscal year of the provisions of this section. The Department of Education shall report to the Legislature, not later than August 1, 1977, on the enactment of this section.

SEC. 19.8. The Legislature recognizes that state child care programs can make a valuable contribution by assisting adults in low-income families to secure and maintain employment. It is therefore the intent of the Legislature that the Department of Education shall insure that the appropriation schedule in Item 292(a) for child care services be encumbered to the fullest extent possible under the state and federal rules and regulations affecting these programs.

To accomplish the full encumbrance of the state allocation for income eligible children not partly supported by federal funds, the Department of Education shall compare the actual rate of expenditures to the budgeted allocations for income eligible children who are state-funded only in each child care provider agency serving such children during the first six months of the 1977–78 fiscal year, and make such reallocations among these agencies as are necessary for the final six months of the 1977–78 fiscal year to insure the maximum encumbrance of the funding level, and, to provide services to the maximum number of children that can be served under this level of funding. The department shall ensure, however,

that this process does not result in an increased level of service that cannot be supported in the subsequent year.

The Department of Education shall also report to the Legislature on or before February 15, 1978, the actual rate of expenditures of all budgeted child care funds from any source for child care services provided in this state during the first six months of the 1977–78 fiscal year and the projected expenditures during the last six months of the 1977–78 fiscal year together with a summary of all actions to be taken by the Department of Education subsequent to the first six months of the 1977–78 fiscal year to ensure the maximum encumbrance of state and federal funds budgeted for child care services.

SEC. 19.9. (a) No funds shall be available to finance contracts in respect to instructional materials adopted by the State Board of Education in which the total price, including sales and use tax, for any instructional materials exceeds by more than 13 percent the average of the three highest total prices for competitive instructional materials.

(b) No funds shall be available to finance contracts for textbooks or separate teachers' manuals adopted by the State Board of Education in which the royalty for any such textbook or separate teacher's manual exceeds by more than 10 percent an amount equal to the net price of that book multiplied by the average of the ratios of royalty to net price of all competitive books of its respective type.

SEC. 20. No money appropriated by this act shall be used to pay the salary of any authorized state position which was abolished effective September 1, 1977 and which position was vacant continuously during the period between October 1, 1976 and July 1, 1977. The State Controller, no later than August 1, 1977, shall notify in writing the Department of Finance of any authorized state position which was vacant continuously during such period. All such positions, except those exempt from civil service or those instructional and instructional-related positions authorized for the California State University and Colleges, are abolished effective September 1, 1977.

The State Controller, not later than December 1, 1977, shall furnish the Joint Legislative Budget Committee a report on all positions as of July 1, 1977, which were unfilled continuously during the period between October 1, 1976, and July 1, 1977.

SEC. 20.1. Notwithstanding any other provisions of law, expenditures under Item 12 of this act or any appropriation in augmentation of such item shall be exempt from the provisions of Sections 13320 and 13325 of, and Chapter 3 (commencing with Section 14250) of Part 5 of, and Chapter 6 (commencing with Section 14780) of Part 5.5 of, Division 3 of Title 2 of the Government Code, subdivision (a) of Section 713 of Title 2 of the California Administrative Code and Sections 4, 8, 18, and 25 of this act, and may be expended as set forth in the Governor's Budget, or for such other purposes, including expenditures for such number of positions in various classifications, as may be authorized by the Joint Committee

on Rules.

SEC. 21.4. Since it is imperative that the maximum amount of time possible be provided the State Board of Education in the selection of textbooks and for private publishers and the State Printer to print textbooks for the ensuing school year, the Department of Education and the Department of General Services are authorized subject to the provisions of Education Code Sections 60000 through 60315 to incur textbook printing obligations in an amount not to exceed $10 million in the aggregate during the 1977–78 fiscal year for delivery by the State Printer and private publishers to the Department of Education and local educational agencies beginning in the 1978–79 fiscal year.

SEC. 22. No purchase order for acquisition or replacement of motor vehicles shall be issued against any appropriation made herein until the Department of General Services has investigated and established the necessity therefor.

All passenger-type motor vehicles purchased from any appropriation made by this act for the use of state employees and officers, except constitutional officers, shall be of the light class, as defined by the State Board of Control, unless excepted by the Director of General Services on the basis of unusual requirements, such as use by the California Highway Patrol, which would justify the need for an automobile of a heavier class.

No general use mobile equipment having an original purchase price of $25,000 or more shall be rented or leased from a nonstate source and payment therefor made from any appropriation made by this act without the prior approval of the Department of General Services after a determination that comparable state-owned equipment is not available, unless obtaining such approval would endanger life or property, in which case the transaction and the justification for not having sought prior approval shall be reported immediately thereafter to the department. For purposes of this section, "general use mobile equipment" shall be deemed to refer to equipment that is listed in the Mobile Equipment Inventory of the State Equipment Council and which is capable of being used by more than one agency, and shall not be deemed to refer to such equipment having a practical use limited to the controlling agency only. Section 575 of the Vehicle Code shall have no application to this section.

SEC. 23. All passenger-type motor vehicles purchased either from any appropriation made by this act or from any other appropriation available therefor for the use of the Department of Transportation, except for use of officers excepted in Section 22 of this act, shall be of the light class, as defined by the State Board of Control, unless excepted by the Director of General Services on the basis of unusual requirements which would justify the need for an automobile of a heavier class.

No general use mobile equipment having an original purchase price of $25,000 or more shall be rented or leased from a nonstate source and payment therefor made from any appropriation made by

this act to the Department of Transportation or from any other appropriation available therefor to the Department of Transportation without the prior approval of the Department of General Services after a determination that comparable state-owned equipment is not available, unless obtaining such approval would endanger life or property, in which case the transaction and the justification for not having sought prior approval shall be reported immediately thereafter to the department. For purposes of this section, "general use mobile equipment" shall be deemed to refer to equipment that is listed in the Mobile Equipment Inventory of the State Equipment Council and which is capable of being used by more than one agency, and shall not be deemed to refer to such equipment having a practical use limited to the controlling agency only. Section 575 of the Vehicle Code shall have no application to this section.

SEC. 23.1. Notwithstanding Sections 182 and 183 of the Streets and Highways Code or any other provisions of law, no funds in the State Highway Account in the State Transportation Fund shall be available for encumbrance in the 1977–78 fiscal year except as appropriated by this act.

Since the action of the Legislature in bringing the state highway program into this act represents a departure from the traditional, continuous appropriation of state highway funds, the Legislature declares that the Department of Finance and the State Controller, as well as other departments and agencies, shall provide full assistance to the Department of Transportation in this period of transition.

It is the intent of the Legislature to continue this action and to appropriate those highway funds in the 1978–79 fiscal year.

SEC. 23.2. Notwithstanding any other provision of law, the Department of Transportation, for purposes of administration of the several accounts within the State Transportation Fund, may establish the Transportation Revolving Account in the State Transportation Fund. With the approval of the Department of Finance, there shall be transferred to, or deposited in, the account all money appropriated, contributed, or made available from any source, including sources other than state appropriations, for expenditure on work within the powers and duties of the Department of Transportation, including, but not limited to, services, new construction, major construction and equipment, minor construction, maintenance, improvements and equipment, highway or other improvement projects, surveys, and reports as authorized by the state agency for which such an appropriation is made or, as to funds from sources other than state appropriations, as may be authorized by written agreement between the contributor of such funds and the Department of Transportation when approved by the Department of Finance.

The Department of Transportation may withdraw from the account for use in work for other public agencies, local, state, or federal, such sums as may be necessary for such work where the

money to be paid by such other agencies is not deposited in the account in advance of the work being done.

The Department of Transportation shall file against the account all claims covering expenditures incurred in connection with services, new construction, major construction and equipment, minor construction, maintenance, improvements and equipment, highway or other improvement projects, surveys, and reports, and the State Controller shall draw his warrant therefor against the account.

The Department of Transportation shall keep a record of all expenditures chargeable against each specific portion of the account, and any unused balance in any portion of the account shall, on approval by the Department of Finance, be withdrawn from the account and transferred to the credit of the appropriation from which it was transferred or, as to funds from other than state appropriations, be paid out or refunded as provided in the agreement relating to the contribution.

The Director of Transportation may authorize the refund of money received or collected by the department in payment of fees, licenses, permits, tools, or for rentals, property, or services, wherein the license, permit, rental, property, or service cannot lawfully be issued, furnished, or transferred to the person making the payment, or in cases where the payment, in whole or in part, represents overpayment or payment in duplicate.

SEC. 23.3. Funds appropriated by Item 157 of this act shall not be allocated to the Comprehensive Planning Organization of San Diego until there has been a transportation corridor plan adopted by resolution by both the Comprehensive Planning Organization of San Diego and the San Diego Metropolitan Transit Development Board.

SEC. 24. None of the moneys appropriated by this act or for an expenditure which is supplemented from money appropriated by this act shall be used to purchase furnishings for any house, mobile-home, or apartment of three or more rooms other than a dormitory which is rented to a state employee except for a superintendent of an institution, warden of a prison, or physicians. This provision shall not apply to the purchase of refrigerators, heaters, air-conditioning equipment, stoves, linoleum, or equipment normally furnished in construction of the house as may be determined by the State Board of Control. Any such funds that are appropriated by this act for this purpose shall be held intact and be reverted to the fund from which they were appropriated. It is the intent of the Legislature that no money shall be appropriated henceforth for the purpose of house furnishings. Such furnishings are not to be provided by the state nor shall any money be paid from this appropriation for their replacement, repair or otherwise except in connection with the disposal of the same.

SEC. 25. (a) No moneys appropriated by this act shall be used, either directly or by supplementing any other appropriation, to purchase rugs or carpets for any state office except for offices used by elective officers, the President of the University of California, a

Chancellor of the University of California, the Chancellor of the California State University and Colleges, a president of a state university or college, department heads and for other facilities or areas under the control of the agencies financed by this act in accordance with standards issued by the Director of General Services. The Director of General Services shall furnish a detailed report annually to the Joint Legislative Budget Committee of all rugs or carpets purchased for state facilities under this section.

Approval of the Director of General Services shall be obtained prior to procurement and installation of such materials. The Director of General Services may authorize the use of carpeting in other specialized facilities not meeting the established standards 30 days after notification in writing of the proposal with justification therefor to the Joint Legislative Budget Committee.

(b) The Director of General Services shall prepare and submit to the Chairman of the Joint Legislative Budget Committee, or his designee, a cost-benefit analysis of open-office landscape proposals in either existing or new buildings 30 days prior to implementing any open-office landscape proposal.

SEC. 26. Whenever herein an appropriation is made for support it shall include salaries and all other proper expenses, including repairs and equipment, incurred in connection with the institution, department, board, bureau, commission, officer, employee, or other agency, for which such appropriation is made.

Whenever herein an appropriation is made for capital outlay, it shall include acquisition of land or other real property, major construction, improvements, equipment, designs, working plans, specifications, repairs and equipment necessary in connection with a construction or improvement project.

Whenever herein any item of appropriation contains provisions for acquisition of land or other real property, it shall include all necessary expenses in connection with the acquisition of such property.

Whenever herein an appropriation is made in accordance with a schedule set forth after such appropriation, the expenditures from such item for each category or project included in the schedule shall be limited to the amount specified for such category or project, except as otherwise provided in this act. Each such schedule is a restriction or limitation upon the expenditure of the respective appropriation made by this act, does not itself appropriate any money, and is not itself an item of appropriation.

As used in this act in reference to such schedules "category" or "project" means a class of expenditures such as, but not limited to:

(a) "Personal services" which shall include all expenditures for payment of officers and employees of the state; including salaries and wages, workers' compensation, unemployment compensation benefits, insurance premiums for workers' compensation coverage, industrial disability leave and payments, nonindustrial disability benefits and payments, the state's contributions to the Public

Employees' Retirement Fund, the Teachers' Retirement Fund, the University of California Retirement Fund to provide for that portion of retirement costs to be provided for Hastings College of Law in Item 323 of this Budget Act, the Old Age and Survivors' Insurance Revolving Fund, the State Employees' Contingency Reserve Fund, and the state's cost of health benefits plans; but do not include compensation of independent contractors rendering personal services to the state under contract;

(b) "Operating expenses and equipment" which shall include all expenditures for purchase of materials, supplies, equipment, services (other than services of state officers and employees), and all other proper expenses;

(c) "Construct" or "construction" when used in connection with a capital outlay project shall include all such related things as fixtures, installed equipment, and auxiliary facilities;

(d) "Working drawings" are defined as a complete set of plans and specifications showing and describing all phases of a project, architectural, structural, mechanical, electrical, civil engineering, and landscaping systems to the degree necessary for the purposes of accurate bidding by contractors and for the use of artisans in constructing the project. All necessary professional fees and administrative service costs are included in the preparation of such drawings.

(e) "Minor projects" include construction, improvements, repairs and equipment projects not specifically set forth in the schedule.

For the purpose of further interpreting the meaning of the words, terms and phrases used in such schedules, reference is hereby made to those documents entitled, "State of California Governor's Budget for 1977–78," submitted by the Governor to the Legislature at the 1977 portion of the 1977–78 Regular Session, the uniform accounting system prescribed by the Department of Finance under the provisions of Section 13300 of the Government Code, and the appropriate portions thereof. The State Board of Control shall establish such interpretations as are necessary to carry out the provisions of this section and shall furnish the same to the State Controller and to every state agency to whom appropriations are made under this act.

SEC. 26.5. Whenever herein an appropriation is made for support or other expenses for an institution, department, board, bureau, commission, officer, employee, or other agency, there shall be charged to such appropriation from which salaries and wages are paid: worker's compensation, unemployment compensation benefits, industrial disability leave and payments, nonindustrial disability benefits and payments, the state's contribution to the Public Employees' Retirement Fund as provided by Sections 20751 and 20752 of the Government Code, the state's contribution to the Teachers' Retirement Fund as provided by Sections 14050 and 14100 of the Education Code, the state's contribution to the Old Age and Survivors' Insurance Revolving Fund as provided by Sections 20782

and 20783 of the Government Code, the state's contribution to the State Employees' Contingency Reserve Fund and the state's contribution for the cost of health benefits plans as provided by Sections 22828 and 22829 of the Government Code.

As of the effective date of this act, the state's contributions as provided by Sections 22828 and 22829 of the Government Code for any month shall be charged to the same appropriations used for payment of salaries and wages from which the employee premium contributions for such month are deducted.

The appropriations made by Sections 20751, 20752, 20782, 20783, 22828, and 22829 of the Government Code, by Sections 14050 and 14100 of the Education Code, shall continue to be available for expenditure, and shall be charged for any expenditure which is not chargeable to an appropriation for support or other expenses as provided in this section. This transfer may be chargeable to such appropriation for a previous fiscal year if there are no funds available from that fiscal year.

The State Controller may transfer to the State Payroll Revolving Fund the contributions required by Sections 20751, 20752, 20782, 20783, 22828, and 22829 of the Government Code, and upon certification by the Board of Administration of the Public Employees' Retirement System in accordance with Sections 20754 and 20784 of the Government Code, may transfer from the State Payroll Revolving Fund to the Public Employees' Retirement Fund and the Old Age and Survivors' Insurance Revolving Fund the amounts of contributions so certified.

SEC. 26.7. Each item appropriating funds for salaries and wages includes the additional funds necessary to continue the payment of the amount of salaries in effect on June 30, 1977, for the state officers whose salaries are specified by statute.

SEC. 26.8. No funds appropriated by this act may be encumbered for paying a civil service employee a salary which is above the maximum of the salary range of the employee's present classification following termination of a Career Executive Assignment (C.E.A.) appointment. The provisions of this section shall not apply with respect to an employee who accepted any C.E.A. appointment on or after June 20, 1976, and before July 1, 1977, and any such employee, who is otherwise eligible, shall receive a salary rate pursuant to the provisions of Rule 548.25, adopted by the State Personnel Board on May 18, 1976, based upon the highest C.E.A. level held by such employee during such period.

SEC. 27. The Department of Finance may, pursuant to a request by the officer, department, division, bureau, board, commission, or other agency to whom an appropriation is made herein, authorize the augmentation of the amount available for expenditure for a category or project designated in any schedule set forth for such appropriation by transfer from any of the other designated categories or projects within the same schedule. The Department of Finance shall furnish the chairman of the committee in each house

which considers appropriations and the Chairman of the Joint Legislative Budget Committee a report on all authorizations given pursuant to this section during the preceding quarter.

Augmentations of amounts available for expenditure for a category or project designated in any line of any schedule for personal services or operating expenses and equipment set forth for such appropriation by transfer from any of the other designated categories or projects within the same schedule shall not exceed, during any fiscal year, 20 percent of the amount so scheduled on that line.

SEC. 28. (a) The Director of Finance may authorize the augmentation of the amount available for expenditure for any category in the schedule set forth for any appropriation in this act or any additional category in the amount of any funds which he estimates will be received by an officer, department, division, bureau, or other agency during the 1977–78 fiscal year from any other state agency, from any agency of local government or the federal government, from any appropriation made by the Legislature or from any other source which he determines has not been taken into consideration in the schedule or is in excess of the amount so taken into consideration.

(b) The director also may authorize expenditure for a new program not identified in the budget as such or for purposes which in his judgment constitute an increase in the level of services above that authorized by this act or other existing law not sooner than 30 days after notification in writing of the necessity therefor to the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairman of the committee, or his designee, may in each instance determine. Any authorization made pursuant to Section 28 of the Budget Act of 1976 too late for inclusion in the Governor's Budget for the 1977–78 fiscal year shall remain in effect for such period as the director may determine in each instance, but in no event after June 30, 1978. Any authorization made pursuant to this subdivision too late for inclusion in the Governor's Budget for the 1978–79 fiscal year shall remain in effect for such period as the director may determine in each instance, but in no event after June 30, 1979.

The Director of Finance may also reduce any category whenever he determines that funds to be received will be less than the amount taken into consideration in the schedule.

(c) All authorizations reported or requested under the provisions of this section shall include all of the following:

(1) A description of the proposed expenditure and identification of the statutory authority for the program which would be created or augmented by the funds.

(2) A determination whether the program, if federally funded, is specifically designed as a one-time expenditure of federal funds, a continuing federal obligation, or one that the state is required (or

expected) to fund at some future date.

(3) A determination whether the expenditure, if federally funded, supplements or replaces an existing state-funded program

(4) A determination whether the program has previously been considered at some point in the legislative process and has been denied; and, if denied, for what reasons.

(d) For each fiscal year the Department of Finance shall submit quarterly to the Joint Legislative Budget Committee cumulative reports comparing budgeted and revised expenditure authorizations, including a summary of the matters required to be reported pursuant to subdivision (c), for all actions approved pursuant to this section.

(e) Programs initiated with federal funds in the Health and Welfare Agency under the provisions of this section shall be separately accounted for in the following ways:

(1) A controller's ledger sheet shall be established for each new program.

(2) The departments in the Health and Welfare Agency shall maintain appropriate records of all expenditures from such sources for audit purposes.

(3) The Department of Finance shall determine any additional costs of this tracking procedure and the feasibility of extending the procedure beyond the 1977–78 fiscal year, as well as extending it to agencies, other than the Health and Welfare Agency, receiving federal funds. Its report and recommendations shall be submitted to the Legislature by April 30, 1978.

SEC. 28.05. Notwithstanding any other provision of this act, if any federal funds for social services not taken into consideration by this act, are proposed, by the Director of Finance, as an augmentation for any category of any item pursuant to the provisions of Section 28 of this act, such augmentation shall be subject to approval by the Joint Legislative Budget Committee.

The Department of Health shall survey all legislation pending in the United States Congress which, if enacted, would provide additional federal funds for social services to California. The Department of Health shall submit a plan for the expenditure of any funds which may be made available by the enactment of such legislation, which plan shall be approved by the Director of Finance, to the Chairman of the Joint Legislative Budget Committee and the chairman of the fiscal committee of each house of the Legislature which considers appropriations, by August 1, 1977.

"Social services," as used in this section, means those services which are funded, or could be funded under Item 252 of this act.

SEC. 28.1. The Regents of the University of California and the Trustees of the California State University and Colleges may not enter into a lease-purchase agreement with another entity, public or private, which involves building space, unless such agreement is reviewed and approved by the Legislature.

SEC. 28.2. The Director of General Services may not execute a

lease agreement between the state and another entity, public or private, in which the state is lessee when the agreement is to be for the lease of a building or building space or both which will be for the occupancy of any agency or agencies of the state with a firm lease period of five years or longer and an annual rental in excess of $5,000 or if the agreement contains an option for the purchase of the lease property, or if the agreement concerns property in the County of Sacramento or the County of Yolo, unless not less than 30 days prior to its execution he notifies the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee or his designee in writing of his intention to execute such an agreement, or not sooner than such lesser time as the chairman of said committee, or his designee, may in each instance determine, provided that no funds appropriated in this act may be encumbered or expended for any lease entered into on or after July 1, 1977, for office space in the County of Sacramento unless all solicitations for leases for office space in the County of Sacramento under these conditions shall contain the statement, "The state is anticipating capital construction in the City of Sacramento and intends to eventually reduce the use of space on a leased basis."

SEC. 28.3. The Department of Benefit Payments shall submit, by September 1, November 15, and April 15, to the Department of Finance for its approval, all assumptions underlying all estimates related to the (1) average monthly caseloads for each of the categorical aid programs, (2) average grant for each of the categorical aid programs, (3) total estimated expenditures for each of the categorical aid programs, and (4) savings or costs associated with all regulatory or statutory changes.

The State Department of Health shall submit, by September 1, November 15, and April 15, to the Department of Finance for its approval, all assumptions underlying all estimates related to (1) the average monthly caseload for the medically needy and medical indigent in the Medi-Cal Program, (2) the average cost for each category of service and each category of recipient, (3) total estimated expenditures for each category of service, and (4) savings or costs associated with all regulatory or statutory changes.

The Department of Finance shall approve or modify the assumptions underlying all estimates within 10 working days of their submission. If the Department of Finance does not approve or modify the assumptions by such date, the assumptions, as presented by the submitting department, shall be deemed to be accepted by the Department of Finance as of that date.

The estimates of average monthly caseload, average monthly grant, average cost of medical services, total estimated expenditures (including administrative expenditures and savings or costs associated with all regulatory or statutory changes), and a listing of all of the approved assumptions, as well as all supporting data provided by the Department of Benefit Payments and the State Department of Health or developed independently by the

Department of Finance, shall be made available to the Joint Legislative Budget Committee immediately following approval by the Department of Finance. However, such departmental estimates, assumptions, and other supporting data as have been prepared shall be forwarded to the Joint Legislative Budget Committee not later than October 1, January 10, and May 15 by the Department of Benefit Payments and the Department of Health in the event this information has not been released earlier.

SEC. 28.4. No funds appropriated by this act shall be encumbered or expended for the purpose of funding any increased local governmental costs arising from the issuance of an executive order subject to the provisions of Section 2231 of the Revenue and Taxation Code, unless notification in writing of the necessity therefor is given at least 30 days before such encumbrance or expenditure is made to the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee or such lesser time as the chairman of such committee, or his designee, may in each instance determine.

SEC. 28.5. Approvals by the Department of Finance to the creation of deficiencies pursuant to Section 11006 of the Government Code and approvals to expend at rates which, in the opinion of the Director of Finance, will require a deficiency appropriation shall be made in writing and filed with the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee. Such notices shall state the reason for and amount of such authorization and shall be filed prior to approval whenever possible and in no case shall they be filed more than 10 days after approval.

SEC. 28.7. The Regents of the University of California shall not undertake any project funded from the Health Sciences Hospital Reserve Fund, which is in excess of $100,000, unless the scope and cost of any such project is approved by the Director of Finance and 30 days' written notification is provided to the Chairman of the Joint Legislative Budget Committee or his designee, or not sooner than such lesser time as the chairman of such committee, or his designee, may in each instance determine. Any project funded from the Health Sciences Hospital Reserve Fund, of less than $100,000, shall be reported to the Chairman of the Joint Legislative Budget Committee by December 1 of each fiscal year. For purposes of this section the definition of a project does not include equipment projects. Any urgent project concerned with patient life or safety may proceed without prior approval or notification but such project shall be identified in the report provided each December 1.

SEC. 28.9. Since it is the intent of the Legislature in enacting this act that no qualified student be denied admission to the California State University and Colleges or to the University of California because of a budget deficiency caused by unanticipated additional enrollments, the Director of Finance may, following the adoption of a resolution by the Trustees of the California State University and

Colleges or the Regents of the University of California declaring an enrollment emergency, authorize the accelerated expenditure of amounts budgeted for the state university and colleges or the university, in the form of an agreement to seek a supplementary appropriation from the General Fund to the extent necessary to ensure that all qualified students can be admitted when he certifies that the systemwide enrollment of the California State University and Colleges or of the University of California exceeds by 2 percent or more the enrollment upon which the budget for the state university and colleges or the university was based; provided, that no increased expenditure may exceed $5,000,000 in the aggregate or be authorized sooner than 30 days after notification in writing of the necessity therefor to the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairman of such committee, or his designee, may in each instance determine.

In the event that the systemwide enrollment of the California State University and Colleges or University of California is under the budgeted enrollment by more than 2 percent, such excess shall be unallocated by the Director of Finance. Unallocated funds may be reallocated to preclude layoffs only after the Director of Finance has approved such action and shall not be authorized sooner than 30 days after notification in writing of the necessity therefor to the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairman of such committee, or his designee, may in each instance determine.

Based upon fall annualized full-time equivalent (FTE) students, all surplus funds withdrawn from any campus consistent with the policy of the California State University and Colleges (CSUC) system, due to fluctuations in student enrollments, shall be returned

(a) To campuses with enrollments in excess of the budgeted level consistent with the CSUC policy and

(b) To all campuses for allocation to the programs of "Instruction" and "Academic Support".

"Surplus" is defined as those funds in excess of that returned to the state pursuant to this section. No exceptions to the above prescribed allocation may be made unless prior approval is given by the Department of Finance and is reported to the Chairman of the Joint Legislative Budget Committee, and the financial necessity of any such exception shall be identified.

SEC. 28.91. All appropriations for the support of the California State University and Colleges shall be subject to the provisions of Section 13320 of the Government Code and applicable Budget Act restrictions with the following exceptions:

(a) The trustees may transfer excess salary savings funds from the salary savings reserve allotments to expenditure allotments provided such transfers do not exceed 20 percent of salary saving. Excess salary

savings funds are those in excess of the amount budgeted.

(b) The trustees may approve transfer of funds between one or more of the programs for which funds are appropriated for the support of the California State University and Colleges.

Any transfer of funds made under the above exceptions shall be reported to the Department of Finance and Joint Legislative Budget Committee within 30 days after the end of each quarter in which such transfer was approved.

SEC. 28.92. It is the intent of the Legislature and executive branch in enacting this act that the University of California teaching hospitals suffer no fiscal penalties in the 1977–78 fiscal year as a result of the Medicare cost reimbursement limits issued pursuant to the authority of paragraph (1) of subsection (v) of Section 1861 of the Social Security Act (para. (1), subsec. (v), Sec. 1395x, Title 42, U.S.C.) and the Medi-Cal program cost reimbursement limits issued pursuant to the authority of Sections 14105, 14106, and 14124.5 of the Welfare and Institutions Code, and defined in Section 51508 of Title 22 of the California Administrative Code. Therefore, the Director of Finance may, following the adoption of a resolution by the Regents of the University of California declaring a teaching hospital fiscal emergency, authorize the accelerated expenditure, on a loan basis, of amounts budgeted for the university, in the form of an agreement to seek a supplementary appropriation from the General Fund to the extent of the equivalent dollar amount for the 1977–78 fiscal year, as is determined for each hospital, which is related to the difference in the reimbursement rates allowed by the Medicare and Medi-Cal programs and the reimbursement rates claimed by the University of California. In considering such supplemental appropriation, the financial condition of each hospital shall be taken into account. Provided further, that the University of California will appeal for exceptions to these limits pursuant to procedures for requesting such appeals; provided further, that no increased expenditure may exceed $5,000,000 or be authorized sooner than 30 days after notification in writing of the necessity therefor is made to the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairman of such committee, or his designee, may in such instance determine.

Any funds provided under the authority of this section shall be repaid to the fund from which they were derived with the proceeds of the claims appealed, regardless of fiscal year, as decisions on cost reimbursement limits which gave rise to their authorization permit repayment of the loan. It is the intent of the Legislature that provisions for repayment of any loan balances shall be determined after the procedures for requesting appeals have been exhausted and all decisions are rendered. The university shall report annually in its budget on the status of such appeals.

SEC. 29. Premiums for official bonds may be paid out of appropriations contained in this act, notwithstanding the period

covered by such bonds.

SEC. 30. Whenever an expenditure is authorized from the Emergency Fund, from price increase funds, from employee benefits or special salary adjustments funds, from total equivalent compensation funds, from the salary increase funds, or from a special fund pursuant to Section 11006 of the Government Code, in addition to an appropriation made by this act, such authorized expenditures may, for accounting purposes, be deemed to be an augmentation and increase of the appropriation made by this act.

SEC. 31. The appropriations under this act, unless otherwise provided, shall be subject to the provisions of Section 13320 of the Government Code requiring expenditures to be made in accordance with the allotments and other provisions of fiscal year budgets approved by the Department of Finance.

The fiscal year budget shall authorize in such manner as the Department of Finance shall prescribe all established positions whose continuance for the year is approved and all new positions. No new position shall be established unless authorized by the Department of Finance on the basis of work program and organization.

The Director of Finance, or his authorized designee, shall notify the Chairman of the Joint Legislative Budget Committee within 30 days of authorizing any position not authorized for that fiscal year by the Legislature or any reclassification to a position with a minimum step of $1,425 or more per month. He shall also report all transfers to blanket authorizations and the establishment of any permanent positions out of a blanket authorization.

All positions administratively established pursuant to this section during the 1977–78 fiscal year shall terminate on June 30, 1978, except that those positions which have been (a) included in the 1978–79 Governor's Budget as proposed new positions, or (b) approved by the Department of Finance and reported to the Legislature after the 1978–79 Governor's Budget submission to the Legislature, may be reestablished by the Department of Finance during the 1978–79 fiscal year, provided such positions are shown in the 1979–80 proposed Governor's Budget submitted to the Legislature, or in subsequent Department of Finance letters to the Legislature, and provided, such positions do not result in establishment of positions deleted by the Legislature through the 1978–79 budget process.

Each fiscal year budget shall provide for a salary savings reserve to which shall be transferred on a document initiated by the agency and submitted to the Department of Finance the unencumbered balance remaining in each allotment for salaries and wages at the close of each quarter or other period of time covered by the allotment. The unencumbered balance remaining in each budget allotment for salaries and wages shall be computed by deducting from the amount of the allotment the expenditures and accrued obligations for salaries and wages chargeable to such allotment for the period covered thereby. The amount in the salary savings reserve

shall not be available for expenditure except upon transfer to allotments for salaries and wages approved by the Department of Finance. Such transfer shall be approved only after it has been demonstrated to the satisfaction of the Department of Finance that the allotment to be augmented is insufficient to meet necessary expenditures for salaries and wages.

No money in any salary savings reserve may be expended to pay increases in salary ranges established after July 1, 1976, unless the Department of Finance certifies to the State Personnel Board, or other salary-fixing authority, prior to the adoption of such increased salary range that funds will be made available to pay the increased salaries resulting therefrom. Provided, that the provisions of this paragraph shall not apply to salaries fixed by the State Personnel Board based on prevailing rates pursuant to Government Code Section 18853.

A certification on a payroll claim that expenditures therein are in accordance with current budgetary provisions as approved by the Department of Finance shall be sufficient evidence to the State Controller that such expenditures comply with the provisions of this section.

Each agency, department, board, commission, and institution, for whose benefit and support appropriations are made in this act, shall certify to the Director of Finance that its expenditures have been made for the purposes stated in the budget, as implemented by the Budget Act, except as the purposes stated have been revised, in accordance with law, by the Department of Finance subsequent to the enactment of the Budget Act.

SEC. 32. The officers of the various departments, boards, commissions and institutions, for whose benefit and support appropriations are made in this act, are expressly forbidden to make any expenditures in excess of such appropriations, except the consent of the Department of Finance be first obtained, and a certificate, in writing, duly signed by the director of said department, of the unavoidable necessity of such expenditure; and any indebtedness attempted to be created against the state in violation of the provisions of this section shall be absolutely null and void; and shall not be allowed by the State Controller nor paid out of any state appropriation. Any member of any such department, board, commission or institution, who shall vote for any expenditure, or create any indebtedness against the state in excess of the respective appropriations made by this act, except by the consent of the Department of Finance and the certificate in this section provided to be first obtained, shall be liable on his official bond for the amount of such indebtedness, to be recovered in any court of competent jurisdiction by the person or persons, firm or corporation to whom such indebtedness is owing.

The Department of Finance shall submit copies of certificates approved by it under this section to the Chairman of the Joint Legislative Budget Committee, and the chairman of the committee

in each house which considers appropriations, quarterly, and shall indicate in the case of each certificate the code section or section of this act under which the department gave its consent to exceed the particular appropriation.

SEC. 32.2. The Director of Finance may direct the transfer of such unexpended balances of appropriations and of other funds available for use in connection with any function or agency affected by a reorganization plan submitted to the Legislature pursuant to Article 7.5 (commencing with Section 12080) of Chapter 1, Part 2, Division 3, Title 2 of the Government Code when the plan becomes effective pursuant to Section 12080.5 of the Government Code, as he deems necessary by reason of the reorganization, for use in connection with the functions affected by the reorganization, or for the use of the agency which has such functions after the reorganization plan is effective; provided that, unexpended balances so transferred shall be used only for the purpose for which the appropriation was originally made.

SEC. 32.5. Notwithstanding the provisions of any appropriation of state funds made in the Welfare and Institutions Code for the Child Support Incentive Payments (pursuant to Sections 15200.1 and 15200.2 of the Welfare and Institutions Code) and the Aid to Families with Dependent Children Programs, expenditures of state funds for those programs for the fiscal year ending June 30, 1978, shall not exceed, in the aggregate, the sum of $624,605,700.

The Department of Benefit Payments shall administer the public assistance programs so that the counties will bear no more than the amount of welfare costs that they would be obligated to bear under the applicable provisions of the Welfare and Institutions Code, without the expenditure limitations set forth in this section, and so that the amount authorized to be expended under this section shall fully cover the state's share of aid payments and for services under such programs for the 1977–78 fiscal year.

The limitations on amounts imposed by this section shall apply to any amounts which are determined by the Director of Finance to be necessary to meet increases in cost arising out of approvals made by the Department of Finance pursuant to the provisions contained in Item 261, provided the Legislature is notified pursuant to the provisions of Section 28 of this act. In addition, the Director of Finance is authorized to approve expenditures in those amounts made necessary by changes in either caseload or payments, or any change in rule or regulation adopted, and any All-County Letter issued, during the current fiscal year which are in excess of Budget Bill estimates for 1977–78. However, any increase related to changes in a rule, regulation, or All-County Letter shall be limited to the minimum amount needed to reimburse counties for increased costs due to such changes when such changes have been approved in advance by the Department of Finance.

If the Director of Finance determines during the third quarter that the estimate of expenditures will exceed the expenditure

authorized by this section, he shall so report to the Legislature prior to the end of the third quarter. At such time as a report is made, the amount of the limitation shall be increased by the amount of such excess unless and until otherwise provided by law.

Notwithstanding the provisions of this section, no changes in welfare rules and regulations may add to program or administrative annual costs, funded from the General Fund, in excess of $500,000, unless such changes are specifically required by court order or change in federal or state statutory law, or specifically included in an appropriation made by this act or approved by the Joint Legislative Budget Committee.

SEC. 33. If any item of appropriation in this act is vetoed, eliminated, or reduced by the Governor under Section 10 of Article IV of the Constitution, while approving portions of this act, such veto, elimination, or reduction shall not affect the other portions of this act, and these other portions of this act, so approved, shall have the same effect in law as if any vetoed or eliminated items of appropriation had not been present in this act, and as if any reduced item of appropriation had not been reduced.

SEC. 34. If any portion of this act is held unconstitutional, such decision shall not affect the validity of any other portion of this act. The Legislature hereby declares that it would have passed this act, and each portion thereof, irrespective of the fact that any other portion be declared unconstitutional.

SEC 35. This act, inasmuch as it provides for an appropriation for the usual current expenses of the state, shall, under the provisions of Section 8 of Article IV of the Constitution of the State of California, take effect immediately.

SEC. 36. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

This act makes appropriation for support of state and local government for the 1977–78 fiscal year and provides for capital outlay appropriations, in continuation of existing programs and to promote and sustain the economy of the state. It is imperative that such appropriations be available for expenditure commencing not later than July 1, 1977. It is therefore necessary that this act go into immediate effect.

CHAPTER 220

An act to amend Sections 830.1 and 830.3 of the Penal Code, relating to peace officers.

[Approved by Governor July 3, 1977. Filed with Secretary of State July 4, 1977.]

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

SECTION 1. Section 830.1 of the Penal Code is amended to read:

830.1. Any sheriff, undersheriff, or deputy sheriff, regularly employed and paid as such, of a county, any policeman of a city, any policeman of a district authorized by statute to maintain a police department, any marshal or deputy marshal of a municipal court, any constable or deputy constable, regularly employed and paid as such, of a judicial district, or any inspector or investigator regularly employed and paid as such in the office of a district attorney, is a peace officer. The authority of any such peace officer extends to any place in the state:

(a) As to any public offense committed or which there is probable cause to believe has been committed within the political subdivision which employs him; or

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

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

SEC. 2. Section 830.3 of the Penal Code is amended to read:

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

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

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

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

(d) (1) Members of the Wildlife Protection Branch of the

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

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

(e) The State Forester and such employees or classes of employees of the Division of Forestry of the Department of Conservation and voluntary fire wardens as are designated by him pursuant to Section 4156 of the Public Resources Code are peace officers; provided, that the primary duty of any such peace officer shall be the enforcement of the law as that duty is set forth in Section 4156 of such code.

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

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

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

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

(j) Members of an arson-investigating unit, regularly employed and paid as such, of a fire protection agency of the state, of a county, city, or district, and members of a fire department or fire protection agency of the state, or a county, city, or district regularly paid and

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

(k) The Chief and such inspectors of the Bureau of Food and Drug as are designated by him pursuant to subdivision (a) of Section 216 of the Health and Safety Code are peace officers; provided, that the exclusive duty of any such peace officer shall be the enforcement of the law as that duty is set forth in Section 216 of such code.

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

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

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

(o) All investigators of the State Department of Health are peace officers; provided that the primary duty of any such peace officer shall be the enforcement of the law relating to the duties of the State Department of Health. Notwithstanding the provisions of Section 171c, 171d, 12027, or 12031, the investigators shall not carry firearms.

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

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

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

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

CHAPTER 221

An act to add Title 1.82 (commencing with Section 1799) to Part 4 of Division 3 of the Civil Code, relating to privacy.

[Approved by Governor July 3, 1977. Filed with Secretary of State July 4, 1977.]

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

SECTION 1. Title 1.82 (commencing with Section 1799) is added to Part 4 of Division 3 of the Civil Code, to read:

TITLE 1.82. BUSINESS RECORDS

CHAPTER 1. DEFINITIONS

1799. As used in this title:

(a) The term "bookkeeping services" means keeping books, making trial balances, preparing statements, making audits, or preparing reports, all as a part of bookkeeping operations, provided that such trial balances, statements, or reports are not issued over the name of such person as having been prepared or examined by a certified public accountant or public accountant.

(b) The term "business entity" means a sole proprietorship, partnership, corporation, association or other group, however organized and whether or not organized to operate at a profit, but does not mean a financial institution organized, chartered, or holding a license or authorization certificate under a law of this State or the United States to make loans or extend credit and subject to supervision by an official or agency of this State or the United States, nor the parent of any such financial institution, nor any subsidiary of any such financial institution or parent.

(c) The term "individual" means a natural person.

(d) The term "person" means any natural person, corporation, partnership, firm, association, or governmental entity.

(e) The term "record" means any item, collection, or grouping of

information about an individual or business entity.

CHAPTER 2. DISCLOSURES

1799.1 (a) No business entity which performs bookkeeping services shall disclose in whole or in part the contents of any record, including the disclosure of information in the record in any composite of information, which is prepared or maintained by such business entity to any person, other than the individual or business entity which is the subject of the record, without the express written consent of such individual or business entity.

(b) This section shall not apply to the following:

(1) To a disclosure to any person pursuant to a subpoena or court order.

(2) To a disclosure which is discoverable.

(3) To a disclosure to any person acting pursuant to a lawful search warrant.

(4) To a disclosure to a law enforcement agency when required for investigations of criminal activity, unless such disclosure is prohibited by law.

(5) To a disclosure to a taxing agency for purposes of tax administration.

CHAPTER 3. CIVIL REMEDIES

1799.2. (a) A person may initiate a civil action against a business entity in accordance with state law whenever a business entity violates the provisions of Section 1799.1.

(b) In any suit brought pursuant to the provisions of subdivision (a) a business entity which has violated Section 1799.1 shall be liable to the person in an amount equal to the actual damages sustained by the person as a result of such violation, but in no case less than five hundred dollars ($500), and the attendant court costs and reasonable attorneys' fees.

(c) An action to enforce any liability created under this section may be brought in any court of competent jurisdiction within two years from the date on which the cause of action arose.

CHAPTER 222

An act to amend Section 500 of the Elections Code, and to amend Section 10125 of the Health and Safety Code, relating to social security account numbers.

[Approved by Governor July 3, 1977. Filed with Secretary of State July 4, 1977.]

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

SECTION 1. Section 500 of the Elections Code is amended to read:

500. The affidavit of registration shall show:

(a) The facts necessary to establish the affiant as an elector.

(b) Affiant's name at length, including his given name, and a middle name or initial, or if the initial of his given name is customarily used, then the initial and middle name. The affiant's given name may be preceded, at his option, by the designation of Miss, Ms., Mrs. or Mr. Notwithstanding this section or Section 512, no person shall be denied the right to register because of his failure to mark a prefix to his given name and shall be so advised on the voter registration card.

(c) Affiant's place of residence, and residence telephone number, if furnished. Notwithstanding this section or Section 512, no person shall be denied the right to register because of his failure to furnish his telephone number, and shall be so advised on the voter registration card.

(d) Affiant's mailing address, if different from the place of residence.

(e) Affiant's date of birth.

(f) The state or country of affiant's birth.

(g) Affiant's occupation.

(h) Affiant's political party affiliation, if any.

(i) That the affiant is currently not imprisoned or on parole for the conviction of a felony which disqualifies him from voting.

(j) A prior registration portion indicating whether the affiant has been registered at another address, under another name, or as intending to affiliate with another party. If the affiant has been so registered, he shall give such additional statement giving that address, name, or party.

The affiant shall certify the content of the affidavit as to its truth and correctness, under penalty of perjury, with his signature of his name at length, including given name, middle name or initial, or initial and middle name, and if he is unable to write he shall sign with a mark or cross. The affiant shall date the affidavit immediately following his signature.

If any person, including a deputy registrar, assists the affiant in completing the affidavit, that person shall sign and date the affidavit below the signature of the affiant.

SEC. 2. Section 10125 of the Health and Safety Code is amended to read:

10125. The certificate of live birth shall be divided into two sections; the first section shall contain those items necessary to establish the fact of the birth and the second section shall contain those items relating to medical and health data. The first section shall contain the following and such other items as the State Registrar may designate if known:

(a) Full name and sex of child;

(b) Date of birth, including month, day and year;

(c) Place of birth;

(d) Full name of father, birthplace of father, and color or race of father;

(e) Full maiden name of mother, birthplace of mother, and color or race of mother;

(f) Multiple births and birth order of multiple births;

(g) Signature and certification of attendant; and

(h) Date accepted for registration and signature of local registrar.

The second section shall contain such medical and health items as the State Registrar may designate.

CHAPTER 223

An act relating to the Pacific Elementary School District, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 3, 1977. Filed with Secretary of State July 4, 1977.]

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

SECTION 1. The Pacific Elementary School District which, pursuant to Section 15516 of the Education Code, has in the past been authorized by the State Allocation Board to use the Pacific School, its elementary school building, pending the construction of replacement facilities, may continue to use Pacific School until the construction of replacement facilities is completed or until June 30, 1978, whichever occurs first. During such period of continued use, Pacific School shall not be subject to any of the provisions of Article 3 (commencing with Section 39140) or Article 6 (commencing with Section 39210) of Chapter 2 of Part 23 of the Education Code.

SEC. 2. Because of the unique circumstances concerning the construction of replacement school facilities for the Pacific Elementary School District, and the limited nature of the exemption provided for in Section 1 of this act, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the Constitution.

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

In order that Pacific Elementary School District may continue to utilize Pacific School until replacement facilities are completed and to avoid interruption of the educational process and undue economic burdens upon such district, it is necessary that this act go into immediate effect.

SEC. 4. This act shall remain in effect only until June 30, 1978, and on that date is repealed.

CHAPTER 224

An act to amend Section 69948 of, and to add Section 68530 to, the Government Code, relating to courts, and declaring the urgency thereof, to take effect immediately.

[Became law without Governor's signature July 4, 1977. Filed with Secretary of State July 5, 1977.]

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

SECTION 1. Section 68530 is added to the Government Code, to read:

68530. (a) The Judicial Council shall provide by rule for the maintenance of records as described in subdivision (c), which shall be filed with the council by each official reporter and official reporter pro tempore of any court located in Kings and Mariposa Counties. Such records shall be inspected and audited by the Judicial Council.

(b) The Judicial Council shall submit an annual report to the board of supervisors of any such county and to the Legislature summarizing the information contained in the records.

(c) Each such annual report shall include the following information relative to the official court reporters of the county:

(1) The quantity and types of transcripts prepared by the official reporters and official reporters pro tempore during the reporting period.

(2) The fees charged and the fees collected for such transcripts.

(3) Expenses incurred by the reporters in connection with the preparation of such transcripts.

(4) The amount of time the reporters have spent in attendance upon the courts for the purpose of reporting proceedings, and the compensation received for this purpose.

(5) Such other information as the Judicial Council may require.

SEC. 2. Section 69948 of the Government Code is amended to read:

69948. (a) The fee for reporting testimony and proceedings in contested cases is fifty-five dollars ($55) a day, or any fractional part thereof.

(b) In San Joaquin County, the board of supervisors may, by ordinance, prescribe a higher rate of compensation for superior court reporters.

(c) In Madera County, the fee for reporting testimony and proceedings in contested cases is seventy-five dollars ($75) a day, or any fractional part thereof.

(d) In Kings County, the fee for reporting testimony and proceedings in contested cases is seventy dollars ($70) a day, or any fractional part thereof.

(e) In Mariposa County, the fee for reporting testimony and

proceedings in contested cases is seventy dollars ($70) a day, or any fractional part thereof.

SEC. 3. The Legislature hereby finds and declares that, in view of its constitutionally delegated responsibility of setting salaries for court reporters, it is necessary to obtain information regarding the total compensation paid to court reporters from all sources so as to allow proper evaluation of legislative proposals relating to court reporters' salaries on an ongoing basis.

Such legislative proposals are not made on a uniform, statewide basis, but on a county-by-county basis. Therefore, it is necessary to monitor the compensation provided court reporters on an individual county basis reflecting the periodic legislative proposals which are made for specific counties. Accordingly, this legislation affecting Kings and Mariposa Counties is necessary to permit the Legislature to carry out its constitutionally delegated responsibility of setting court reporters' salaries in this county in view of the submitted request for an adjustment in the compensation provided to court reporters in such county.

SEC. 4. If any provision of this act, or the application thereof, is enjoined, restrained, or otherwise held invalid, then every other provision or application of this act shall be void, and to this end the provisions of this act are inseverable.

SEC. 5. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section, nor shall there be any appropriation made by this act, because this act is in accordance with the request of a local government entity or entities which desired legislative authority to act to carry out the program specified in this act.

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

In order to employ and maintain sufficient numbers of competent official reporters to meet the needs of the courts affected by this act, it is necessary that this act go into effect at the earliest possible time.

CHAPTER 225

An act to amend Section 26822.3 of, and to add Sections 26821.1, 26822.1, 26826.1, and 26827.3 to, the Government Code, relating to filing fees.

[Became law without Governor's signature July 5, 1977. Filed with Secretary of State July 5, 1977.]

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

SECTION 1. Section 26821.1 is added to the Government Code, to read:

26821.1. In any city and county, the fee for the filing of the first paper in a civil action or special proceeding, except an adoption proceeding, is twenty seven dollars and fifty cents ($27.50); provided however, in each civil action in which the demand is for one thousand dollars ($1,000) or less, the filing fee shall be twelve dollars ($12).

SEC. 2. Section 26822.1 is added to the Government Code, to read:

26822.1. In any city and county, the fee for filing the papers transmitted from another court on the transfer of a civil action or a special proceeding is twenty seven dollars and fifty cents ($27.50).

SEC. 3. Section 26822.3 of the Government Code is amended to read:

26822.3. In addition to, and at the same time, as fees are collected pursuant to Sections 26821, 26821.1, 26821.2, 26822.1, 26826, 26826.1, 26826.2, 26827, 26827.2, and 26827.3, a fee of three dollars ($3) shall be collected.

The funds shall be transmitted at the end of each month to the State Controller for payment into the Judges' Retirement Fund.

SEC. 4. Section 26826.1 is added to the Government Code, to read:

26826.1. In any city and county, upon filing the first paper in the action on behalf of the defendant, intervenor, respondent, correspondent, or adverse party, whether separately or jointly, except for the purpose of making disclaimer, the fee is twelve dollars and fifty cents ($12.50).

As used in this section the word "paper" does not include a stipulation for the appointment of a judge pro tempore or of a court investigator or the report made by such investigator or the declaration of a spouse filed in an order to show cause proceeding.

SEC. 5. Section 26827.3 is added to the Government Code, to read:

26827.3. In any city and county, the fee for filing the first petition for letters of administration, a petition for special letters of administration, a petition for letters testamentary, a first account of a testamentary trustee, or a petition for letters of guardianship, or a petition for letters of conservatorship, or a petition for compromise of minor's claim, is twenty seven dollars and fifty cents ($27.50). For filing any subsequent petition for letters of administration, special letters of administration, letters testamentary, letters of guardianship, letters of conservatorship, or a first account of a testamentary trustee, or a petition to contest any will or codicil, in the same proceeding, by a person other than the original petitioner, the fee is twenty seven dollars and fifty cents ($27.50). When the subsequent petition is filed and the petitioner is the same person named in the original petition, no fee shall be charged. When the public administrator or an employee of the Department of Mental Hygiene in his official capacity is the petitioner, they shall be required to pay the fee only out of the assets of the estate coming into their possession.

CHAPTER 226

An act to add and repeal Section 1182.3 to the Labor Code, relating to the Industrial Welfare Commission, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 6, 1977. Filed with Secretary of State July 7, 1977.]

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

SECTION 1. Section 1182.3 is added to the Labor Code, to read:

1182.3. (a) No student employee of an organized camp shall be subject to a minimum wage or maximum hour order of the commission if the employee receives a salary of at least eighty-six dollars ($86) per week regardless of the number of hours in excess of 40 hours per week the employee might work at the organized camp. If the student employee works less than 40 hours per week, the employee shall be paid at least two dollars and fifteen cents ($2.15) for each hour worked.

(b) An organized camp may deduct the value of meals and lodging from the salary of a student employee pursuant to appropriate orders of the commission.

(c) As used in this section, "organized camp" means an organized camp, as defined in Section 18897 of the Health and Safety Code, and which meets resident camp standards of the American Camping Association.

(d) This section shall be effective only until January 1, 1980, and on such date, unless later extended by an act of the Legislature, this section is hereby repealed.

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

Recent orders of the Industrial Welfare Commission affect organized camps, such as summer boy scout and girl scout camps. These organized camps, which provide much needed community services, are unable to bear the financial impact of such orders, and this bill would provide fiscal relief for these camps. In order that organized camps have relief from the commission's orders before the camps open in the summer of 1977, it is necessary that this act take effect immediately.

CHAPTER 227

An act relating to transportation.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 7, 1977.]

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

SECTION 1. After acquiring those portions of abandoned railroad rights-of-way mandated by statutes enacted prior to January 1, 1978, the Department of Transportation shall acquire that portion of the abandoned right-of-way of the Winters Branch of the Southern Pacific Transportation Company from Midway Road in the County of Solano to State Highway Route 128 in the County of Yolo, if (1) sufficient funds are available in the Abandoned Railroad Account in the State Transportation Fund for the acquisition and (2) the counties and cities in which that portion of the abandoned right-of-way is located enter into an agreement with the department to fund the development of the acquisition for public transportation purposes.

CHAPTER 228

An act to amend Section 18742 of the Business and Professions Code, relating to wrestling.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 7, 1977.]

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

SECTION 1. Section 18742 of the Business and Professions Code is amended to read:

18742. Every club holding a license to conduct boxing contests or to conduct sparring or wrestling matches shall have at its own expense in attendance at every boxing contest or sparring or wrestling match a physician approved by the commission who has had not less than three years' medical practice, who shall observe the physical condition of the boxers and wrestlers, and advise the referee with regard thereto.

One hour before the boxers or wrestlers enter the ring such physician shall certify in writing over his signature, as to the boxers' or wrestlers' physical condition to engage in such contest or match. A report of the medical examinations shall be filed with the commission not later than 24 hours after the termination of a contest or match. The physician's report of the examination shall include specific mention as to the condition of the boxer's or wrestler's heart, nerves, and brain.

The services of the club physician or physicians shall be paid according to a schedule of fees adopted by the commission. These fees shall be paid by the club to the commission and the commission shall remit the payment to the physician.

CHAPTER 229

An act to add Section 206c to the Code of Civil Procedure, relating to jury trials, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 7, 1977.]

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

SECTION 1. Section 206c is added to the Code of Civil Procedure, to read:

206c. In El Dorado County, trial jury venires for the superior court shall be drawn from residents of the supervisorial district, or a portion thereof, within which the court will sit for such trial and from residents of such other immediately adjacent supervisorial district, or portion thereof, as may be specified by local superior court rules. Such venireman shall serve the court sitting in the geographical portion of the county from which this section and such court rules specify trial jury venires shall be drawn; provided that such rules shall afford to each eligible resident of such county an opportunity for selection as a trial jury venireman. Such court may, in its discretion, order a countywide venire in the interest of justice.

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

Chapter 590 of the Statutes of 1976 provided for an additional superior court judge in El Dorado County. Upon the appointment of such judge, the court will be immediately able to assume its function in South Lake Tahoe. Current boundaries of the county's supervisorial districts will result in great inconvenience to potential jurors chosen in some of these districts because of the court's location in South Lake Tahoe. In order to eliminate the difficulties arising from such a situation, it is necessary that this act shall go into immediate effect.

CHAPTER 230

An act to amend Sections 82030 and 84305 of, and to repeal and add Section 91001 of, the Government Code, relating to the Political Reform Act of 1974, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 7, 1977.]

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

SECTION 1. Section 82030 of the Government Code is amended to read:

82030. (a) "Income" means, except as provided in subsection (b), income of any nature from any source, including but not limited to any salary, wage, advance, payment, dividend, interest, rent, capital gain, return of capital, gift, including any gift of food or beverage, loan, forgiveness or payment of indebtedness, discount in the price of anything of value unless the discount is available to members of the public without regard to official status, rebate, reimbursement for expenses, per diem, or contribution to an insurance or pension program paid by any person other than an employer, and including any community property interest in income of a spouse. Income of an individual also includes a pro rata share of any income of any business entity or trust in which the individual or spouse owns, directly, indirectly or beneficially, a 10-percent interest or greater. "Income," other than a gift, does not include income received from any source outside the jurisdiction and not doing business within the jurisdiction, not planning to do business within the jurisdiction, or not having done business within the jurisdiction during the two years prior to the time any statement or other action is required under this title.

(b) "Income" also does not include:

(1) Campaign contributions required to be reported under Chapter 4 of this title;

(2) Salary and reimbursement for expenses or per diem received from a state or local government agency and reimbursement for travel expenses and per diem received from a bona fide educational, academic or charitable organizations;

(3) Gifts of informational material, such as books, pamphlets, reports, calendars or periodicals;

(4) Gifts which are not used and which, within 30 days after receipt, are returned to the donor or delivered to a charitable organization without being claimed as a charitable contribution for tax purposes;

(5) Gifts from an individual's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, aunt, uncle, or first cousin or the spouse of any such

person; provided that a gift from any such person shall be considered income if the donor is acting as an agent or intermediary for any person not covered by this paragraph;

(6) Any devise or inheritance;

(7) Interest, dividends or premiums on a time or demand deposit in a financial institution, shares in a credit union or any insurance policy, payments received under any insurance policy, or any bond or other debt instrument issued by any government or government agency;

(8) Dividends, interest or any other return on a security which is registered with the Securities and Exchange Commission of the United States government.

SEC. 2. Section 84305 of the Government Code is amended to read:

84305. No person shall make an expenditure for the purpose of sending a mass mailing unless the sender shows on the outside of each piece of mail in the mass mailing and on at least one of the inserts included within each piece of mail of such mailing the sender's name, street address and city in no less than six-point type. A post office box may be stated in lieu of a street address if the organization's address is a matter of public record with the Secretary of State. A copy of every mass mailing in support of or in opposition to a state candidate or state measure shall be sent to the commission on the same day on which it is mailed to the public generally. Such copies sent to the commission shall be public records. Section 29410 of the Elections Code shall not apply to any mass mailing which complies with this section.

SEC. 3. Section 91001 of the Government Code is repealed.

SEC. 4. Section 91001 is added to the Government Code, to read:

91001. (a) The Attorney General is responsible for enforcing the criminal provisions of this title with respect to state agencies, lobbyists and state elections. The district attorney of any county in which a violation occurs has concurrent powers and responsibilities with the Attorney General.

(b) The civil prosecutor is primarily responsible for enforcement of the civil penalties and remedies of this title. The civil prosecutor is the commission with respect to the state or any state agency, except itself. The Attorney General is the civil prosecutor with respect to the commission. The district attorneys are the civil prosecutors with respect to any other agency. The civil prosecutor may bring any civil action under this title which could be brought by a voter or resident of the jurisdiction.

(c) Whether or not a violation is inadvertent, negligent or deliberate, and the presence or absence of good faith shall be considered in applying the remedies and sanctions of this title.

SEC. 5. The Legislature finds and declares that Sections 1, 3, and 4 are necessary to correct ambiguities raised by technical flaws in Chapter 1161 of the 1976 Statutes. The Legislature further finds and declares that Sections 1, 3, and 4 are declarative of existing law.

SEC. 6. The Legislature finds and declares that the provisions of

this act further the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of Section 81012 of the Government Code.

SEC. 7. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Technical flaws in Chapter 1161 of the Statutes of 1976 have created confusion as to the intent of the Legislature with respect to the interpretation to be given vital financial disclosure and enforcement provisions of the Political Reform Act of 1974.

CHAPTER 231

An act to repeal Section 13111 of the Health and Safety Code, relating to the State Fire Marshal.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 7, 1977.]

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

SECTION 1. Section 13111 of the Health and Safety Code is repealed.

CHAPTER 232

An act to amend Sections 1710.15, 1710.25, 1710.30, and 1710.40 of the Code of Civil Procedure, relating to enforcement of judgments.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 7, 1977.]

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

SECTION 1. Section 1710.15 of the Code of Civil Procedure is amended to read:

1710.15. (a) A judgment creditor may apply for the entry of a judgment based on a sister state judgment by filing an application with the superior court for the county designated by Section 1710.20.

(b) The application shall be executed under oath and shall include all of the following:

(1) A statement that an action in this state on the sister state judgment is not barred by the applicable statute of limitations.

(2) A statement, based on the applicant's information and belief, that no stay of enforcement of the sister state judgment is currently in effect in the sister state.

(3) A statement of the amount remaining unpaid under the sister state judgment and, if accrued interest on the sister state judgment is to be included in the California judgment, a statement of the amount of interest accrued on the sister state judgment (computed at the rate of interest applicable to the judgment under the law of the sister state, but not at a rate in excess of 7 percent per annum), a statement of the rate of interest applicable to the judgment under the law of the sister state, and a citation to the law of the sister state establishing such rate of interest.

(4) A statement that no action based on the sister state judgment is currently pending in any court in this state and that no judgment based on the sister state judgment has previously been entered in any proceeding in this state.

(5) Where the judgment debtor is an individual, a statement setting forth the name and last known residence address of the judgment debtor. Where the judgment debtor is a corporation, a statement of the corporation's name, place of incorporation, and whether the corporation, if foreign, has qualified to do business in this state under the provisions of Chapter 21 (commencing with Section 2100) of Division 1 of Title 1 of the Corporations Code. Where the judgment debtor is a partnership, a statement of the name of the partnership, whether it is a foreign partnership, and, if it is a foreign partnership, whether it has filed a statement pursuant to Section 15700 of the Corporations Code designating an agent for service of process. Except for facts which are matters of public record in this state, the statements required by this paragraph may be made on the basis of the judgment creditor's information and belief.

(6) A statement setting forth the name and address of the judgment creditor.

(c) A properly authenticated copy of the sister state judgment shall be attached to the application.

SEC. 2. Section 1710.25 of the Code of Civil Procedure is amended to read:

1710.25. (a) Upon the filing of the application, the clerk shall enter a judgment based upon the application for the total of the following amounts as shown therein:

(1) The amount remaining unpaid under the sister state judgment.

(2) The amount of interest accrued on the sister state judgment (computed at the rate of interest applicable to the judgment under the law of the sister state, but not at a rate in excess of 7 percent per annum).

(3) The amount of the fee for filing the application for entry of the sister state judgment.

(b) Entry shall be made in the same manner as entry of a judgment of the superior court. From the time of entry, interest shall accrue on the judgment so entered at the rate of 7 percent per annum.

SEC. 3. Section 1710.30 of the Code of Civil Procedure is

amended to read:

1710.30. (a) Notice of entry of judgment shall be served promptly by the judgment creditor upon the judgment debtor in the manner provided for service of summons by Article 3 (commencing with Section 415.10) of Chapter 4 of Title 5 of Part 2. Notice shall be in a form prescribed by the Judicial Council and shall inform the judgment debtor that he has 30 days within which to make a motion to vacate the judgment.

(b) The fee for service of the notice of entry of judgment under this section is an item of costs recoverable in the same manner as statutory fees for service of a writ as provided in Section 1033.7, but such fee may not exceed the amount allowed to a public officer or employee in this state for such service.

SEC. 4. Section 1710.40 of the Code of Civil Procedure is amended to read:

1710.40. (a) A judgment entered pursuant to this chapter may be vacated on any ground which would be a defense to an action in this state on the sister state judgment, including the ground that the amount of interest accrued on the sister state judgment and included in the judgment entered pursuant to this chapter is incorrect.

(b) Not later than 30 days after service of notice of entry of judgment pursuant to Section 1710.30, proof of which has been made in the manner provided by Article 5 (commencing with Section 417.10) of Chapter 4 of Title 5 of Part 2, the judgment debtor, on written notice to the judgment creditor, may make a motion to vacate the judgment under this section.

(c) Upon the hearing of the motion to vacate the judgment under this section, the judgment may be vacated upon any ground provided in subdivision (a) and another and different judgment entered, including, but not limited to, another and different judgment for the judgment creditor if the decision of the court is that the judgment creditor is entitled to such different judgment. The decision of the court on the motion to vacate the judgment shall be given and filed with the clerk of court in the manner provided in Sections 632, 634, and 635, except that the court is not required to make any written findings and conclusions if the amount of the judgment as entered under Section 1710.25 does not exceed one thousand dollars ($1,000).

CHAPTER 233

An act to amend Section 8.1 of the North Delta Water Agency Act (Chapter 283 of the Statutes of 1973), relating to the Sacramento-San Joaquin Delta, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 7, 1977.]

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

SECTION 1. Section 8.1 of the North Delta Water Agency Act (Chapter 283 of the Statutes of 1973) is amended to read:

8.1. In the event that the agency fails to enter into and execute on or before December 31, 1978, a contract with the United States and the State of California of the character and nature described in Section 4.1 of this act, the agency is dissolved and its existence is automatically terminated, and all of its corporate powers shall cease, except for the purpose of winding up the affairs of the agency.

SEC. 2. There is hereby appropriated from the California Water Fund to the Department of Water Resources the sum of three million eight hundred thousand dollars ($3,800,000) for expenditure for construction of temporary rock barriers in False River, Dutch Slough, and Fisherman's Cut in the Sacramento-San Joaquin Delta.

In the event that the Department of Water Resources obtains federal funding which covers all or a portion of the construction, this appropriation shall revert to the California Water Fund in an amount equal to the amount of the federal funding made available.

SEC. 3. The Department of Water Resources shall prepare a report on the effectiveness of the rock barriers in controlling salinity in the Sacramento-San Joaquin Delta. Such report shall be transmitted to the Legislature no later than November 1, 1977.

SEC. 4. There are no state-mandated local costs in this act that require reimbursement under Section 2231 of the Revenue and Taxation Code because there are no new duties, obligations or responsibilities imposed on local government by this act.

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

Existing drought conditions make it extremely difficult to hold back salinity in the Sacramento-San Joaquin Delta, and emergency barriers are urgently needed to assist in salinity control in the delta during the drought emergency. In order to accomplish the purpose of this act within the drought emergency, it is necessary, therefore, that this act take immediate effect.

CHAPTER 234

An act to amend Sections 66411.1, 66412, 66424, 66424.1, 66424.2, 66428, 66436, 66463, 66469, 66470, 66495, 66499.34, 66499.35 and 66499.36 of, and to add Section 66499.20¾ to, the Government Code, relating to subdivisions, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 7, 1977.]

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

SECTION 1. Section 66411.1 of the Government Code is amended to read:

66411.1. Whenever a local ordinance requires improvements for a division of land which is not a subdivision of five or more lots, such regulations shall be limited to the dedication of rights-of-way, easements, and the construction of reasonable offsite and onsite improvements for the parcels being created. Requirements for the construction of such offsite and onsite improvements shall be noticed by certificate on the parcel map, on the instrument evidencing the waiver of such parcel map, or by separate instrument and shall be recorded on, concurrently with, or prior to the parcel map or instrument of waiver of a parcel map being filed for record.

Fulfillment of such construction requirements shall not be required until such time as a permit or other grant of approval for development of the parcel is issued by the local agency or, where provided by local ordinances, until such time as the construction of such improvements is required pursuant to an agreement between the subdivider and the local agency, except that in the absence of such an agreement, a local agency may require fulfillment of such construction requirements within a reasonable time following approval of the parcel map and prior to the issuance of a permit or other grant of approval for the development of a parcel upon a finding by the local agency that fulfillment of the construction requirements is necessary for reasons of:

(1) The public health and safety; or

(2) The required construction is a necessary prerequisite to the orderly development of the surrounding area.

SEC. 2. Section 66412 of the Government Code is amended to read:

66412. This division shall be inapplicable to:

(a) The financing or leasing of apartments, offices, stores or similar space within apartment buildings, industrial buildings, commercial buildings, mobilehome parks or trailer parks;

(b) Mineral, oil or gas leases;

(c) Land dedicated for cemetery purposes under the Health and Safety Code of the State of California.

(d) A lot line adjustment between two or more existing adjacent parcels, where the land taken from one parcel is added to an adjacent parcel, and where a greater number of parcels than originally existed is not thereby created, provided the lot line adjustment is approved by the local agency, or advisory agency.

(e) Boundary line or exchange agreements to which the State Lands Commission or a local agency holding a trust grant of tide and submerged lands is a party.

SEC. 3. Section 66424 of the Government Code is amended to

read:

66424. "Subdivision" means the division, by any subdivider, of any unit or units of improved or unimproved land, or any portion thereof, shown on the latest equalized county assessment roll as a unit or as contiguous units, for the purpose of sale, lease or financing, whether immediate or future except for leases of agricultural land for agricultural purposes. Property shall be considered as contiguous units, even if it is separated by roads, streets, utility easement or railroad rights-of-way. "Subdivision" includes a condominium project, as defined in Section 1350 of the Civil Code or a community apartment project, as defined in Section 11004 of the Business and Professions Code. Any conveyance of land to a governmental agency, public entity or public utility shall not be considered a division of land for purposes of computing the number of parcels. As used in this section, "agricultural purposes" means the cultivation of food or fiber or the grazing or pasturing of livestock.

SEC. 4. Section 66424.1 of the Government Code is amended to read:

66424.1. Nothing in Section 66424 shall prevent a purchaser of a unit of land created under the provisions of this division or a local ordinance enacted pursuant thereto, from subdividing such land one time, pursuant to the provisions of this division prior to the time that an equalized county assessment roll has been completed reflecting the creation of the unit proposed to be subdivided.

SEC. 5. Section 66424.2 of the Government Code is amended to read:

66424.2. Notwithstanding Section 66424, two or more contiguous parcels or units of land which have been created under the provisions of this division or any prior law regulating the division of land or a local ordinance enacted pursuant thereto or were not subject to such provisions at the time of their creation shall not merge by virtue of the fact that such contiguous parcels or units are held by the same owner and no further proceeding under the provisions of this division or a local ordinance enacted pursuant thereto shall be required for the purpose of sale, lease or financing of such contiguous parcels or units, or any of them; except that, a local agency may, by ordinance, provide that if any one of such contiguous parcels or units held by the same owner does not conform to standards for minimum parcel size to permit use or development under a zoning, subdivision or other ordinance of the local agency and at least one of such contiguous parcels or units is not developed with a building for which a permit has been issued by the local agency, or which was built prior to the time such permits were required by the local agency then such parcels shall be merged for the purposes of this division.

A local agency may, by ordinance, deem any or all parcels or units of land which merged prior to the effective date of the 1977 amendments to this section, unmerged and separate parcels.

Whenever a local agency has knowledge that real property has

merged pursuant to this section or a local ordinance enacted pursuant to this section, it shall cause to be filed for record with the recorder of the county in which the real property is located, a notice of such merger specifying the names of the record owners and particularly describing the real property, provided that, at least 30 days prior to the recording of the notice the owner of the parcels or units to be affected by the merger, shall be advised in writing of the intention to record the notice and specifying a time, date and place at which the owner may present evidence to the legislative body or advisory agency why such notice should not be recorded.

SEC. 6. Section 66428 of the Government Code is amended to read:

66428. Local ordinances may require a tentative map where a parcel map is required by this chapter. A parcel map shall be required for subdivisions as to which a final or parcel map is not otherwise required by this chapter, unless the preparation of such parcel map is waived by local ordinance as provided in this section, and provided further that a parcel map shall not be required for subdivisions created by short-term leases (terminable by either party on not more than 30 days' notice in writing) of a portion of the operating right-of-way of a railroad corporation defined as such by Section 230 of the Public Utilities Code, or for land conveyed to or from a governmental agency, public entity or public utility, or to a subsidiary of a public utility for conveyance to such public utility for rights-of-way, unless a showing is made in individual cases, upon substantial evidence, that public policy necessitates such a parcel map.

A local agency shall, by ordinance, provide a procedure for waiving the requirement for a parcel map, imposed by this division, including the requirements for a parcel map imposed by Section 66426. The ordinance shall require a finding by the legislative body or advisory agency, that the proposed division of land complies with such requirements as may have been established by this division or local ordinance enacted pursuant thereto as to area, improvement and design, floodwater drainage control, appropriate improved public roads, sanitary disposal facilities, water supply availability, environmental protection, and other requirements of this division or local ordinance enacted pursuant thereto. In any case, where the requirement for a parcel map is waived by local ordinance pursuant to provisions of this section, a tentative map may be required by local ordinance.

SEC. 7. Section 66436 of the Government Code is amended to read:

66436. A certificate, signed and acknowledged by all parties having any record title interest in the real property subdivided, consenting to the preparation and recordation of the final map is required, except as follows:

(a) Neither a lien for state, county, municipal or local taxes, nor for special assessments, nor a trust interest under bond indentures,

nor mechanics' liens constitute a record title interest in land for the purpose of this chapter or local ordinance.

(b) The signature of either the holder of beneficial interests under trust deeds or the trustee under such trust deeds, but not both, may be omitted. The signature of either shall constitute a full and complete subordination of the lien of the deed of trust to the map and any interest created by the map.

(c) Signatures of parties owning the following types of interests may be omitted if their names and the nature of their respective interests are stated on the final map:

(1) Rights-of-way, easements or other interests which cannot ripen into a fee, except those owned by a public entity or public utility. If, however, the legislative body or advisory agency determines that division and development of the property in the manner set forth on the approved or conditionally approved tentative map will not unreasonably interfere with the free and complete exercise of the public entity or public utility right-of-way or easement, the signature of such public entity or public utility may be omitted. Where such determination is made, the subdivider shall send, by certified mail, a sketch of the proposed final map, together with a copy of this section, to any public entity or public utility which has previously acquired a right-of-way or easement.

If the public entity or utility objects to either (i) recording the final map without its signature; or (ii) the determination of the legislative body or advisory agency that the division and development of the property will not unreasonably interfere with the full and complete exercise of its right-of-way or easement, it shall so notify the subdivider and the legislative body or advisory agency within 30 days after receipt of the materials from the subdivider.

If the public entity or utility objects to recording the final map without its signature, the public entity or utility so objecting may affix its signature to the final map within 30 days of filing its objection with the legislative body or advisory agency.

If the public entity or utility either (i) does not file an objection with the legislative body or advisory agency; or (ii) fails to affix its signature within 30 days of filing its objection, to recording the map without its signature, the local agency may record the final map without such signature.

If the public entity or utility files an objection to the determination of the legislative body or advisory agency that the division and development of the property will not unreasonably interfere with the exercise of its right-of-way or easement, the legislative body or advisory agency shall set the matter for public hearing to be held not less than 10 nor more than 30 days of receipt of the objection. At such hearing, the public entity or public utility shall present evidence in support of its position that the division and development of the property will unreasonably interfere with the free and complete exercise of the objector's right-of-way or easement.

If the legislative body or advisory agency finds, following such

hearing, that the development and division will in fact unreasonably interfere with the free and complete exercise of the objector's right-of-way or easement, it shall set forth those conditions whereby such unreasonable interference will be eliminated and upon compliance with such conditions by the subdivider, the final map may be recorded with or without the signature of the objector. If the legislative body or advisory agency finds that the development and division will in fact not unreasonably interfere with the free and complete exercise of the objector's right-of-way or easement, the final map may be recorded without the signature of the objector, notwithstanding its objections thereto.

Failure of the public entity or public utility to file an objection pursuant to this section shall in no way affect its rights under a right-of-way or easement.

(2) Rights-of-way, easements or reversions, which by reason of changed conditions, long disuse or laches appear to be no longer of practical use or value and signatures are impossible or impractical to obtain. A statement of the circumstances preventing the procurement of the signatures shall also be stated on the map.

(3) Interests in or rights to minerals, including but not limited to oil, gas or other hydrocarbon substances.

(d) Real property originally patented by the United States or by the State of California, which original patent reserved interest to either or both of such entities, may be included in the final map without the consent of the United States or the State of California thereto or to dedications made thereon.

SEC. 8. Section 66463 of the Government Code is amended to read:

66463. The procedure for processing, approval, conditional approval or disapproval and filing of parcel maps and modifications thereof shall be as provided by local ordinance. The provisions of Sections 66477.1, 66477.2, and 66477.3 relating to dedications and offers of dedication on final maps shall apply to dedications and offers of dedications on parcel maps.

Where a local agency provides, by ordinance, for the approval, conditional approval or disapproval of parcel maps by the county engineer, surveyor or other designated official, such agency may also, by ordinance, provide that such officer may accept or reject dedications and offers of dedication that are made by certificate on such map.

SEC. 9. Section 66469 of the Government Code is amended to read:

66469. After a final map or parcel map is filed in the office of the county recorder, it may be amended by a certificate of correction or an amending map:

(a) To correct an error in any course or distance shown thereon;

(b) To show any course or distance that was omitted therefrom;

(c) To correct an error in the description of the real property shown on the map;

(d) To indicate monuments set after the death, disability or retirement from practice of the engineer or surveyor charged with responsibilities for setting monuments; or

(e) To show the proper location or character of any monument which has been changed in location or character originally was shown at the wrong location or incorrectly as to its character.

(f) To correct any other type of map error or omission as approved by the county surveyor or city engineer, which does not affect any property right. Such errors and omissions may include, but are not limited to, lot numbers, acreage, street names, and identification of adjacent record maps.

As used in this section, "error" does not include changes in courses or distances from which an error is not ascertainable from the data shown on the final or parcel map.

SEC. 10. Section 66470 of the Government Code is amended to read:

66470. The amending map or certificate of correction shall be prepared and signed by a registered civil engineer or licensed land surveyor. An amending map shall conform to the requirements of Section 66434, if a final map, or Section 66445, if a parcel map. The amending map or certificate of correction shall set forth in detail the corrections made and show the names of the present fee owners of the property affected by the correction or omission.

SEC. 11. Section 66495 of the Government Code is amended to read:

66495. At the time of making the survey for the final map or parcel map unless the survey is not required pursuant to Section 66448, the engineer or surveyor shall set sufficient durable monuments to conform with the standards described in Section 8771 of the Business and Professions Code so that another engineer or surveyor may readily retrace the survey. He shall also set such additional monuments as may be required by local ordinance. The local agency shall require that at least one exterior boundary line of the land being subdivided be adequately monumented or referenced before the map is recorded.

SEC. 12. Section 66499.20¾ is added to the Government Code, to read:

66499.20¾. Subdivided lands may be merged and resubdivided without reverting to acreage by complying with all the applicable requirements for the subdivision of land as provided by this division and any local ordinances adopted pursuant thereto. The filing of the final map or parcel map shall constitute legal merging of the separate parcels into one parcel and the resubdivision of such parcel, and the real property shall thereafter be shown with the new lot or parcel boundaries on the assessment roll. Any unused fees or deposits previously made pursuant to this division pertaining to the property shall be credited pro rata towards any requirements for the same purposes which are applicable at the time of resubdivision. Any streets or easements to be left in effect after the resubdivision shall

be adequately delineated on the map. After approval of the merger and resubdivision by the governing body or advisory agency the map shall be delivered to the county recorder. The filing of the map shall constitute legal merger and resubdivision of the land affected thereby, and shall also constitute abandonment of all streets and easements not shown on the map.

SEC. 13. Section 66499.34 of the Government Code is amended to read:

66499.34. No local agency shall issue any permit or grant any approval necessary to develop any real property which has been divided, or which has resulted from a division, in violation of the provisions of this division or of the provisions of local ordinances enacted pursuant to this division if it finds that development of such real property is contrary to the public health or the public safety. The authority to deny such a permit or such approval shall apply whether the applicant therefor was the owner of record at the time of such violation or whether the applicant therefor is either the current owner of record or a vendee of the current owner of record pursuant to a contract of sale of the real property with, or without, actual or constructive knowledge of the violation at the time of the acquisition of his interest in such real property.

If a city or a county issues a permit or grants approval for the development of any such real property, it may impose those conditions that would have been applicable to the division of the property at the time the applicant acquired his interest in such real property, and which has been established at such time by this division or local ordinance enacted pursuant thereto, except that if a conditional certificate of compliance has been filed for record under the provisions of subdivision (b) of Section 66499.35 only such conditions stipulated in that certificate shall be applicable.

SEC. 14. Section 66499.35 of the Government Code is amended to read:

66499.35. (a) Any person owning real property or a vendee of such person pursuant to a contract of sale of such real property may request, and a local agency shall determine, whether such real property complies with the provisions of this division and of local ordinances enacted pursuant thereto. Upon making such a determination the city or the county shall cause a certificate of compliance to be filed for record with the recorder of the county in which the real property is located. The certificate of compliance shall identify the real property and shall state that the division thereof complies with applicable provisions of this division and of local ordinances enacted pursuant thereto. The local agency may impose a reasonable fee to cover the cost of issuing and recording the certificate of compliance.

(b) If a local agency determines that such real property does not comply with the provisions of this division or of local ordinances enacted pursuant thereto, it may, as a condition to granting a certificate of compliance, impose such conditions as would have been

applicable to the division of the property at the time the applicant acquired his interest therein, and which had been established at such time by this division or local ordinance enacted pursuant thereto. Upon making such a determination and establishing such conditions the city or county shall cause a conditional certificate of compliance to be filed for record with the recorder of the county in which the real property is located. Such certificate shall serve as notice to the property owner or vendee who has applied for the certificate pursuant to this section, a grantee of the property owner, or any subsequent transferee or assignee of the property that the fulfillment and implementation of such conditions shall be required prior to subsequent issuance of a permit or other grant of approval for development of the property.

Compliance with such conditions shall not be required until such time as a permit or other grant of approval for development of such property is issued by the local agency.

(c) A certificate of compliance shall be issued for any real property which has been approved for development pursuant to Section 66499.34.

(d) A recorded final map or parcel map shall constitute a certificate of compliance with respect to the parcels of real property described therein.

SEC. 15. Section 66499.36 of the Government Code is amended to read:

66499.36. Whenever a local agency has knowledge that real property has been divided in violation of the provisions of this division or of local ordinances enacted pursuant to this division, it shall cause to be filed for record with the recorder of the county in which the real property is located, a notice of intention to record a notice of violation, describing the real property in detail, naming the owners thereof, and describing the violation, and stating that an opportunity will be given to the owner to present evidence. Upon recording a notice of intention to record a notice of violation, the local agency shall mail a copy of such notice to the owner of such real property. The notice shall specify a time, date, and place at which the owner may present evidence to the legislative body or advisory agency why such notice should not be recorded. If, after the owner has presented evidence, it is determined that there has been no violation, the local agency shall record a release of the notice of intention to record a notice of violation with the county recorder. If, however, after the owner has presented evidence, the legislative body or advisory agency determines that the property has in fact been illegally divided, or if within 60 days of receipt of such copy the owner of such real property fails to inform the local agency of his objection to recording the notice of violation, the legislative body or advisory agency shall record the notice of violation with the county recorder. The notice of intention to record a notice of violation and the notice of violation, when recorded, shall be deemed to be constructive notice of the violation to all successors in interest in such

property. The county recorder shall index the names of the fee owners in the general index.

SEC. 16. The Legislature finds and declares that the amendment made to Section 66424.1 of the Government Code by this act is a clarification and restatement of existing law.

SEC. 17. The Legislature finds and declares that the addition of the phrase "by any subdivider" in Section 66424 of the Government Code, as amended by this act, is declaratory of existing law.

SEC. 18. The Legislature finds and declares that the addition of the phrases "or were not subject to such provisions at the time of their creation" and "or which was built prior to the time such permits were required by the local agency" in Section 66424.2 of the Government Code as amended by the act, is declaratory of existing law.

SEC. 19. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Chapter 1263 of the Statutes of 1976 inadvertently amended the Subdivision Map Act to exclude entirely from the provisions of that act a conveyance of land to a public agency or public utility. The practical effect of such statute will be to exclude such conveyances from critical local requirements such as easements for drainage, access etc. In order to rectify this error, with minimum adverse effect on local government, and to make urgently needed clarifications of serious ambiguities in the act, it is necessary that this act go into effect immediately.

SEC. 20. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because the duties, obligations or responsibilities imposed on local government by this act are minor in nature and will not place any financial burden on local government as this bill merely restores the law to what it was up to January 1, 1977.

CHAPTER 235

An act to amend Section 17912 of the Business and Professions Code, to amend Section 416.20 of the Code of Civil Procedure, to amend Sections 114, 153, 171, 204, 207, 212, 305, 307, 311, 316, 317, 416, 418, 420, 500, 601, 604, 701, 705, 708, 902, 904, 910, 1001, 1101, 1103, 1108, 1109, 1110, 1201, 1305, 1501, 1702, 1802, 2000, 2115, 2203, 2302, 2307, and 25142 of, and to add Sections 503.1, 1101.1, 2110.1, and 2302.1 to, the Corporations Code, to amend Sections 8103 and 8204 of the Commercial Code, to amend Section 26205.1 of the Government Code, to amend Section 838.5 of the Insurance Code, to amend Section 822 of the Public Utilities Code, and to amend Sections 23221,

23302, 23305a, and 23776 of the Revenue and Taxation Code, relating to corporations.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 7, 1977.]

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

SECTION 1. Section 17912 of the Business and Professions Code is amended to read:

17912. This chapter does not apply to a real estate investment trust as defined in Section 23000 of the Corporations Code and has a statement on file, pursuant to Section 24003 of the Corporations Code, designating an agent for service of process or has qualified to do business under Chapter 21 (commencing with Section 2100) of the Corporations Code.

SEC. 1.1. Section 416.20 of the Code of Civil Procedure is amended to read:

416.20. A summons may be served on a corporation that has forfeited its charter or right to do business, or has dissolved, by delivering a copy of the summons and of the complaint:

(a) To a person who is a trustee of the corporation and of its stockholders or members; or

(b) When authorized by any provision in Sections 2011 or 2114 of the Corporations Code (or Sections 3301 to 3303, inclusive, or Sections 6500 to 6504, inclusive, of the Corporations Code as in effect on December 31, 1976, with respect to corporations to which they remain applicable), as provided by such provision.

SEC. 1.2. Section 114 of the Corporations Code is amended to read:

114. All references in this division to financial statements, balance sheets, income statements and statements of changes in financial position of a corporation and all references to assets, liabilities, earnings, retained earnings and similar accounting items of a corporation mean such financial statements or such items prepared or determined in conformity with generally accepted accounting principles then applicable, fairly presenting in conformity with generally accepted accounting principles the matters which they purport to present, subject to any specific accounting treatment required by a particular section of this division. Unless otherwise expressly stated, all references in this division to such financial statements mean, in the case of a corporation which has subsidiaries, consolidated statements of the corporation and such of its subsidiaries as are required to be included in such consolidated statements under generally accepted accounting principles then applicable and all references to such accounting items mean such items determined on a consolidated basis in accordance with such consolidated financial statements. Financial statements other than annual statements may be condensed or otherwise presented as

permitted by authoritative accounting pronouncements.

SEC. 1.3. Section 153 of the Corporations Code is amended to read:

153. "Approved by (or approval of) the shareholders" means approved or ratified by the affirmative vote of a majority of the shares represented and voting at a duly held meeting at which a quorum is present (which shares voting affirmatively also constitute at least a majority of the required quorum) or by the written consent of shareholders (Section 603) or by the affirmative vote or written consent of such greater proportion (including all) of the shares of any class or series as may be provided in the articles or in this division for all or any specified shareholder action.

SEC. 1.4. Section 171 of the Corporations Code is amended to read:

171. "Foreign corporation" means any corporation other than a domestic corporation and, when used in Section 191, Section 201, Section 2203, Section 2258 and Section 2259 and Chapter 21, includes a foreign association, unless otherwise stated. "Foreign corporation" as used in Chapter 21 does not include a corporation or association chartered under the laws of the United States.

SEC. 1.5. Section 204 of the Corporations Code is amended to read:

204. The articles of incorporation may set forth:

(a) Any or all of the following provisions, which shall not be effective unless expressly provided in the articles:

(1) Granting, with or without limitations, the power to levy assessments upon the shares or any class of shares;

(2) Granting to shareholders preemptive rights to subscribe to any or all issues of shares or securities;

(3) Special qualifications of persons who may be shareholders;

(4) A provision limiting the duration of the corporation's existence to a specified date;

(5) A provision requiring, for any or all corporate actions (except as provided in Section 303, subdivision (c) of Section 708 and Section 1900) the vote of a larger proportion or of all of the shares of any class or series, or the vote or quorum for taking action of a larger proportion or of all of the directors, than is otherwise required by this division;

(6) A provision limiting or restricting the business in which the corporation may engage or the powers which the corporation may exercise or both;

(7) A provision conferring upon the holders of any evidences of indebtedness, issued or to be issued by the corporation, the right to vote in the election of directors and on any other matters on which shareholders may vote;

(8) A provision conferring upon shareholders the right to determine the consideration for which shares shall be issued.

(9) A provision requiring the approval of the shareholders (Section 153) or the approval of the outstanding shares (Section 152)

for any corporate action, even though not otherwise required by this division.

Notwithstanding this subdivision, in the case of a close corporation any of the provisions referred to above may be validly included in a shareholders' agreement. Notwithstanding this subdivision, bylaws may require for all or any actions by the board the affirmative vote of a majority of the authorized number of directors. Nothing contained in this subdivision shall affect the enforceability, as between the parties thereto, of any lawful agreement not otherwise contrary to public policy.

(b) Reasonable restrictions upon the right to transfer or hypothecate shares of any class or classes or series, but no restriction shall be binding with respect to shares issued prior to the adoption of the restriction unless the holders of such shares voted in favor of the restriction.

(c) The names and addresses of the persons appointed to act as initial directors.

(d) Any other provision, not in conflict with law, for the management of the business and for the conduct of the affairs of the corporation, including any provision which is required or permitted by this division to be stated in the bylaws.

SEC. 1.7. Section 207 of the Corporations Code is amended to read:

207. Subject to any limitations contained in the articles and to compliance with other provisions of this division and any other applicable laws, a corporation shall have all of the powers of a natural person in carrying out its business activities, including, without limitation, the power to:

(a) Adopt, use and at will alter a corporate seal, but failure to affix a seal does not affect the validity of any instrument.

(b) Adopt, amend and repeal bylaws.

(c) Qualify to do business in any other state, territory, dependency or foreign country.

(d) Subject to the provisions of Section 510, issue, purchase, redeem, receive, take or otherwise acquire, own, hold, sell, lend, exchange, transfer or otherwise dispose of, pledge, use and otherwise deal in and with its own shares, bonds, debentures and other securities.

(e) Make donations, regardless of specific corporate benefit, for the public welfare or for community fund, hospital, charitable, educational, scientific, civic or similar purposes.

(f) Pay pensions, and establish and carry out pension, profit-sharing, share bonus, share purchase, share option, savings, thrift and other retirement, incentive and benefit plans, trusts and provisions for any or all of the directors, officers and employees of the corporation or any of its subsidiary or affiliated corporations, and to indemnify and purchase and maintain insurance on behalf of any fiduciary of such plans, trusts or provisions.

(g) Subject to the provisions of Section 315, assume obligations,

enter into contracts, including contracts of guaranty or suretyship, incur liabilities, borrow and lend money and otherwise use its credit, and secure any of its obligations, contracts or liabilities by mortgage, pledge or other encumbrance of all or any part of its property, franchises and income.

(h) Participate with others in any partnership, joint venture or other association, transaction or arrangement of any kind, whether or not such participation involves sharing or delegation of control with or to others.

SEC. 1.8. Section 212 of the Corporations Code is amended to read:

212. (a) The bylaws shall set forth (unless such provision is contained in the articles, in which case it may only be changed by an amendment of the articles) the number of directors of the corporation; or that the number of directors shall be not less than a stated minimum nor more than a stated maximum (which in no case shall be greater than two times the stated minimum minus one), with the exact number of directors to be fixed, within the limits specified, by approval of the board or the shareholders (Section 153) in the manner provided in the bylaws, subject to paragraph (5) of subdivision (a) of Section 204. The number or minimum number of directors shall not be less than three; provided, however, that (1) before shares are issued, the number may be one, (2) before shares are issued, the number may be two, (3) so long as the corporation has only one shareholder, the number may be one, (4) so long as the corporation has only one shareholder, the number may be two, and (5) so long as the corporation has only two shareholders, the number may be two. After the issuance of shares, a bylaw specifying or changing a fixed number of directors or the maximum or minimum number or changing from a fixed to a variable board or vice versa may only be adopted by approval of the outstanding shares (Section 152); provided, however, that a bylaw or amendment of the articles reducing the fixed number or the minimum number of directors to a number less than five cannot be adopted if the votes cast against its adoption at a meeting or the shares not consenting in the case of action by written consent are equal to more than 16⅔ percent of the outstanding shares entitled to vote.

(b) The bylaws may contain any provision, not in conflict with law or the articles for the management of the business and for the conduct of the affairs of the corporation, including but not limited to:

(1) Any provision referred to in subdivision (b), (c) or (d) of Section 204.

(2) The time, place and manner of calling, conducting and giving notice of shareholders', directors' and committee meetings.

(3) The manner of execution, revocation and use of proxies.

(4) The qualifications, duties and compensation of directors; the time of their annual election; and the requirements of a quorum for directors' and committee meetings.

(5) The appointment and authority of committees of the board.

(6) The appointment, duties, compensation and tenure of officers.

(7) The mode of determination of holders of record of its shares.

(8) The making of annual reports and financial statements to the shareholders.

SEC. 2. Section 305 of the Corporations Code is amended to read:

305. (a) Unless otherwise provided in the articles or bylaws and except for a vacancy created by the removal of a director, vacancies on the board may be filled by a majority of the directors then in office, whether or not less than a quorum, or by a sole remaining director. Unless the articles or a bylaw adopted by the shareholders provide that the board may fill vacancies occurring in the board by reason of the removal of directors, such vacancies may be filled only by approval of the shareholders (Section 153).

(b) The shareholders may elect a director at any time to fill any vacancy not filled by the directors. Any such election by written consent other than to fill a vacancy created by removal requires the consent of a majority of the outstanding shares entitled to vote.

(c) If, after the filling of any vacancy by the directors, the directors then in office who have been elected by the shareholders shall constitute less than a majority of the directors then in office,

(1) Any holder or holders of an aggregate of 5 percent or more of the total number of shares at the time outstanding having the right to vote for such directors may call a special meeting of shareholders, or

(2) The superior court of the proper county shall, upon application of such shareholder or shareholders, summarily order a special meeting of shareholders, to be held to elect the entire board. The term of office of any director shall terminate upon such election of a successor.

The hearing on any application filed pursuant to this subdivision shall be held on not less than 10 business days notice to the corporation. If the corporation intends to oppose the application, it shall file with the court a notice of opposition not later than five business days prior to the date set for the hearing. The application and any notice of opposition shall be supported by appropriate affidavits and the court's determintion shall be made on the basis of the papers in the record; but, for good cause shown, the court may receive and consider at the hearing additional evidence, oral or documentary, and additional points and authorities. The hearing shall take precedence over all other matters not of a similar nature pending on the date set for the hearing.

(d) Any director may resign effective upon giving written notice to the chairman of the board, the president, the secretary or the board of directors of the corporation, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be elected to take office when the resignation becomes effective.

SEC. 3. Section 307 of the Corporations Code is amended to read:

307. (a) Unless otherwise provided in the articles or (subject to paragraph (5) of subdivision (a) of Section 204) in the bylaws:

(1) Meetings of the board may be called by the chairman of the board or the president or any vice president or the secretary or any two directors.

(2) Regular meetings of the board may be held without notice if the time and place of such meetings are fixed by the bylaws or the board. Special meetings of the board shall be held upon four days' notice by mail or 48 hours' notice delivered personally or by telephone or telegraph. The articles or bylaws may not dispense with notice of a special meeting. A notice, or waiver of notice, need not specify the purpose of any regular or special meeting of the board.

(3) Notice of a meeting need not be given to any director who signs a waiver of notice or a consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such director. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

(4) A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than 24 hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the directors who were not present at the time of the adjournment.

(5) Meetings of the board may be held at any place within or without the state which has been designated in the notice of the meeting or, if not stated in the notice or there is no notice, designated in the bylaws or by resolution of the board.

(6) Members of the board may participate in a meeting through use of conference telephone or similar communications equipment, so long as all members participating in such meeting can hear one another. Participation in a meeting pursuant to this subdivision constitutes presence in person at such meeting.

(7) A majority of the authorized number of directors constitutes a quorum of the board for the transaction of business. The articles or bylaws may not provide that a quorum shall be less than one-third the authorized number of directors or less than two, whichever is larger, unless the authorized number of directors is one, in which case one director constitutes a quorum.

(8) Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the board, subject to the provisions of Section 310 and subdivision (e) of Section 317. The articles or bylaws may not provide that a lesser vote than a majority of the directors present at a meeting is the act of the board. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

(b) Any action required or permitted to be taken by the board may be taken without a meeting, if all members of the board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the board. Such action by written consent shall have the same force and effect as a unanimous vote of such directors.

(c) The provisions of this section apply also to committees of the board and incorporators and action by such committees and incorporators, mutatis mutandis.

SEC. 4. Section 311 of the Corporations Code is amended to read:

311. The board may, by resolution adopted by a majority of the authorized number of directors, designate one or more committees, each consisting of two or more directors, to serve at the pleasure of the board. The board may designate one or more directors as alternate members of any committee, who may replace any absent member at any meeting of the committee. The appointment of members or alternate members of a committee requires the vote of a majority of the authorized number of directors. Any such committee, to the extent provided in the resolution of the board or in the bylaws, shall have all the authority of the board, except with respect to:

(a) The approval of any action for which this division also requires shareholders' approval (Section 153) or approval of the outstanding shares (Section 152).

(b) The filling of vacancies on the board or in any committee.

(c) The fixing of compensation of the directors for serving on the board or on any committee.

(d) The amendment or repeal of bylaws or the adoption of new bylaws.

(e) The amendment or repeal of any resolution of the board which by its express terms is not so amendable or repealable.

(f) A distribution to the shareholders of the corporation (Section 166), except at a rate or in a periodic amount or within a price range determined by the board.

(g) The appointment of other committees of the board or the members thereof.

SEC. 4.4. Section 316 of the Corporations Code is amended to read:

316. (a) Subject to the provisions of Section 309, directors of a corporation who approve any of the following corporate actions shall be jointly and severally liable to the corporation for the benefit of all of the creditors or shareholders entitled to institute an action under subdivision (c):

(1) The making of any distribution to its shareholders to the extent that it is contrary to the provisions of Sections 500 to 503, inclusive.

(2) The distribtion of assets to shareholders after institution of dissolution proceedings of the corporation, without paying or adequately providing for all known liabilities of the corporation,

excluding any claims not filed by creditors within the time limit set by the court in a notice given to creditors under Chapters 18 (commencing with Section 1800), 19 (commencing with Section 1900) and 20 (commencing with Section 2000).

(3) The making of any loan or guaranty contrary to Section 315.

(b) A director who is present at a meeting of the board, or any committee thereof, at which action specified in subdivision (a) is taken and who abstains from voting shall be considered to have approved the action.

(c) Suit may be brought in the name of the corporation to enforce the liability (1) under paragraph (1) of subdivision (a) against any or all directors liable by the persons entitled to sue under subdivision (b) of Section 506, (2) under paragraph (2) or (3) of subdivision (a) against any or all directors liable by any one or more creditors of the corporation whose debts or claims arose prior to the time of any of the corporate actions specified in paragraph (2) or (3) of subdivision (a) and who have not consented to the corporate action, whether or not they have reduced their claims to judgment, or (3) under paragraph (3) of subdivision (a) against any or all directors liable by any one or more holders of shares outstanding at the time of any corporate action specified in paragraph (3) of subdivision (a) who have not consented to the corporate action, without regard to the provisions of Section 800.

(d) The damages recoverable from a director under this section shall be the amount of the illegal distribution or loss suffered by the corporation as a result of the illegal loan or guaranty, as the case may be, but not exceeding the liabilities of the corporation owed to nonconsenting creditors at the time of the violation and the injury suffered by nonconsenting shareholders, as the case may be.

(e) Any director sued under this section may implead all other directors liable and may compel contribution, either in that action or in an independent action against directors not joined in that action.

(f) Directors liable under this section shall also be entitled to be subrogated to the rights of the corporation:

(1) With respect to paragraph (1) of subdivision (a), against shareholders who received the distribution.

(2) With respect to paragraph (2) of subdivision (a), against shareholders who received the distribution of assets.

(3) With respect to paragraph (3) of subdivision (a), against the person who received the loan or guaranty. Any director sued under this section may file a cross-complaint against the person or persons who are liable to such director as a result of the subrogation provided for in this subdivision or may proceed against them in an independent action.

SEC. 4.5. Section 317 of the Corporations Code is amended to read:

317. (a) For the purposes of this section, "agent" means any person who is or was a director, officer, employee or other agent of the corporation, or is or was serving at the request of the corporation

as a director, officer, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or was a director, officer, employee or agent of a foreign or domestic corporation which was a predecessor corporation of the corporation or of another enterprise at the request of such predecessor corporation; "proceeding" means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative; and "expenses" includes without limitation attorneys' fees and any expenses of establishing a right to indemnification under subdivision (d) or paragraph (3) of subdivision (e).

(b) A corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the corporation to procure a judgment in its favor) by reason of the fact that such person is or was an agent of the corporation, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

(c) A corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person is or was an agent of the corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of the corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this subdivision (c):

(1) In respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation in the performance of such person's duty to the corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;

(2) Of amounts paid in settling or otherwise disposing of a

threatened or pending action, with or without court approval; or

(3) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval.

(d) To the extent that an agent of a corporation has been successful on the merits in defense of any proceeding referred to in subdivision (b) or (c) or in defense of any claim, issue or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

(e) Except as provided in subdivision (d), any indemnification under this section shall be made by the corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in subdivision (b) or (c), by:

(1) A majority vote of a quorum consisting of directors who are not parties to such proceeding;

(2) Approval of the shareholders (Section 153), with the shares owned by the person to be indemnified not being entitled to vote thereon; or

(3) The court in which such proceeding is or was pending upon application made by the corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by the corporation.

(f) Expenses incurred in defending any proceeding may be advanced by the corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this section.

(g) No provision made by a corporation to indemnify its or its subsidiary's directors or officers for the defense of any proceeding, whether contained in the articles, bylaws, a resolution of shareholders or directors, an agreement or otherwise, shall be valid unless consistent with this section. Nothing contained in this section shall affect any right to indemnification to which persons other than such directors and officers may be entitled by contract or otherwise.

(h) No indemnification or advance shall be made under this section, except as provided in subdivision (d) or paragraph (3) of subdivision (e), in any circumstance where it appears:

(1) That it would be inconsistent with a provision of the articles, bylaws, a resolution of the shareholders or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

(2) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

(i) A corporation shall have power to purchase and maintain insurance on behalf of any agent of the corporation against any

liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the corporation would have the power to indemnify the agent against such liability under the provisions of this section.

(j) This section does not apply to any proceeding against any trustee, investment manager or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be an agent as defined in subdivision (a) of the employer corporation. A corporation shall have power to indemnify such a trustee, investment manager or other fiduciary to the extent permitted by subdivision (f) of Section 207.

SEC. 4.8. Section 416 of the Corporations Code is amended to read:

416. (a) Every holder of shares in a corporation shall be entitled to have a certificate signed in the name of the corporation by the chairman or vice chairman of the board or the president or a vice president and by the chief financial officer or an assistant treasurer or the secretary or any assistant secretary, certifying the number of shares and the class or series of shares owned by the shareholder. Any or all of the signatures on the certificate may be facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if such person were an officer, transfer agent or registrar at the date of issue.

(b) Notwithstanding subdivision (a), a corporation which is the issuer of securities registered under the United States Securities Exchange Act of 1934 or which is registered under the United States Investment Company Act of 1940 may adopt a system of issuance, recordation and transfer of its shares by electronic or other means not involving any issuance of certificates, including provisions for notice to purchasers in substitution for the required statements on certificates under Sections 417 and 418, which system has been approved by the Commissioner of Corporations or the United States Securities and Exchange Commission or which is authorized in any statute of the United States.

SEC. 5. Section 418 of the Corporations Code is amended to read:

418. (a) There shall also appear on the certificate (unless stated or summarized under subdivision (a) or (b) of Section 417) the statements required by all of the following clauses to the extent applicable:

(1) The fact that the shares are subject to restrictions upon transfer.

(2) If the shares are assessable or are not fully paid, a statement that they are assessable or the statements required by subdivision (d) of Section 409 if they are not fully paid.

(3) The fact that the shares are subject to a voting agreement under subdivision (a) of Section 706 or an irrevocable proxy under

subdivision (e) of Section 705 or restrictions upon voting rights contractually imposed by the corporation.

(4) The fact that the shares are redeemable.

(5) The fact that the shares are convertible and the period for conversion.

Any such statement or reference thereto (Section 174) on the face of the certificate required by paragraph (1) or (2) shall be conspicuous.

(b) Unless stated on the certificate as required by subdivision (a), no restriction upon transfer, no liability to assessment or for the unpaid portion of the subscription price, no right of redemption and no voting agreement under subdivision (a) of Section 706 nor irrevocable proxy under subdivision (e) of Section 705 nor voting restriction imposed by the corporation shall be enforceable against a transferee of the shares without actual knowledge of such restriction, liability, right, agreement or proxy. For the purpose of this subdivision, transferee includes a purchaser from the corporation.

(c) All certificates representing shares of a close corporation shall contain in addition to any other statements required by this section, the following conspicuous legend on the face thereof: "This corporation is a close corporation. The number of holders of record of its shares of all classes cannot exceed _____ [a number not in excess of 10]. Any attempted voluntary inter vivos transfer which would violate this requirement is void. Refer to the articles, bylaws and any agreements on file with the secretary of the corporation for further restrictions."

(d) Any attempted voluntary inter vivos transfer of the shares of a close corporation which would result in the number of holders of record of its shares exceeding the maximum number specified in its articles is void if the certificate contains the legend required by subdivision (c).

SEC. 5.5. Section 420 of the Corporations Code is amended to read:

420. Neither a domestic nor foreign corporation nor its transfer agent or registrar is liable:

(a) For transferring or causing to be transferred on the books of the corporation to the surviving joint tenant or tenants any share or shares or other securities issued to two or more persons in joint tenancy, whether or not the transfer is made with actual or constructive knowledge of the existence of any understanding, agreement, condition or evidence that the shares or securities were held other than in joint tenancy or of a breach of trust by any joint tenant.

(b) To a minor or incompetent person in whose name shares or other securities are of record on its books or to any transferee of or transferor to either for transferring the shares or other securities on its books at the instance of or to the minor or incompetent or for the recognition of or dealing with the minor or incompetent as a

shareholder or security holder, whether or not the corporation, transfer agent or registrar had notice, actual or constructive, of the nonage or incompetency, unless a guardian or conservator of the property of the minor or incompetent has been appointed and the corporation, transfer agent or registrar has received written notice thereof.

(c) To any married person or to any transferee of such person for transferring shares or other securities on its books at the instance of the person in whose name they are registered, without the signature of such person's spouse and regardless of whether the registration indicates that the shares or other securities are community property, in the same manner as if such person were unmarried.

(d) The provisions of the California Commercial Code shall not affect the limitations of liability set forth in this section. Section 5125 of the Civil Code shall be subject to the provisions of this section and shall not be construed to prevent transfers, or result in liability to the corporation, transfer agent or registrar permitting or effecting transfers, which comply with this section.

SEC. 5.7. Section 500 of the Corporations Code is amended to read:

500. Neither a corporation nor any of its subsidiaries shall make any distribution to the corporation's shareholders (Section 166) unless:

(a) The amount of the retained earnings of the corporation immediately prior thereto equals or exceeds the amount of the proposed distribution; or

(b) Immediately after giving effect thereto:

(1) The sum of the assets of the corporation (exclusive of goodwill, capitalized research and development expenses and deferred charges) would be at least equal to 1¼ times its liabilities (not including deferred taxes, deferred income and other deferred credits); and

(2) The current assets of the corporation would be at least equal to its current liabilities or, if the average of the earnings of the corporation before taxes on income and before interest expense for the two preceding fiscal years was less than the average of the interest expense of the corporation for such fiscal years, at least equal to 1¼ times its current liabilities; provided, however, that in determining the amount of the assets of the corporation profits derived from an exchange of assets shall not be included unless the assets received are currently realizable in cash; and provided, further, that for the purpose of this subdivision "current assets" may include net amounts which the board has determined in good faith may reasonably be expected to be received from customers during the 12-month period used in calculating current liabilities pursuant to existing contractual relationships obligating such customers to make fixed or periodic payments during the term of the contract or, in the case of public utilities, pursuant to service connections with customers, after in each case giving effect to future costs not then

included in current liabilities but reasonably expected to be incurred by the corporation in performing such contracts or providing service to utility customers. The amount of any distribution payable in property shall, for the purpose of this chapter, be determined on the basis of the value at which such property is carried on the corporation's financial statements in accordance with generally accepted accounting principles. Paragraph (2) of subdivision (b) is not applicable to a corporation which does not classify its assets into current and fixed under generally accepted accounting principles.

SEC. 6. Section 503.1 is added to the Corporations Code, to read:

503.1. The provisions of Sections 500, 501, 502 and 503 shall not apply to a purchase or redemption of shares of a deceased shareholder from the proceeds of insurance on the life of such shareholder in excess of the total amount of all premiums paid by the corporation for such insurance, in order to carry out the provisions of an agreement between the corporation and such shareholder to purchase or redeem such shares upon the death of the shareholder.

SEC. 7. Section 601 of the Corporations Code is amended to read:

601. (a) Whenever shareholders are required or permitted to take any action at a meeting a written notice of the meeting shall be given not less than 10 nor more than 60 days before the date of the meeting to each shareholder entitled to vote thereat. Such notice shall state the place, date and hour of the meeting and (1) in the case of a special meeting, the general nature of the business to be transacted, and no other business may be transacted, or (2) in the case of the annual meeting, those matters which the board, at the time of the mailing of the notice, intends to present for action by the shareholders, but subject to the provisions of subdivision (f) any proper matter may be presented at the meeting for such action. The notice of any meeting at which directors are to be elected shall include the names of nominees intended at the time of the notice to be presented by management for election.

(b) Notice of a shareholders' meeting or any report shall be given either personally or by mail or other means of written communication, addressed to the shareholder at the address of such shareholder appearing on the books of the corporation or given by the shareholder to the corporation for the purpose of notice; or if no such address appears or is given, at the place where the principal executive office of the corporation is located or by publication at least once in a newspaper of general circulation in the county in which the principal executive office is located. The notice or report shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by other means of written communication. An affidavit of mailing of any notice or report in accordance with the provisions of this division, executed by the secretary, assistant secretary or any transfer agent, shall be prima facie evidence of the giving of the notice or report.

If any notice or report addressed to the shareholder at the address

of such shareholder appearing on the books of the corporation is returned to the corporation by the United States Postal Service marked to indicate that the United States Postal Service is unable to deliver the notice or report to the shareholder at such address, all future notices or reports shall be deemed to have been duly given without further mailing if the same shall be available for the shareholder upon written demand of the shareholder at the principal executive office of the corporation for a period of one year from the date of the giving of the notice or report to all other shareholders.

(c) Upon request in writing to the chairman of the board, president, vice president or secretary by any person (other than the board) entitled to call a special meeting of shareholders, the officer forthwith shall cause notice to be given to the shareholders entitled to vote that a meeting will be held at a time requested by the persons or persons calling the meeting, not less than 35 nor more than 60 days after the receipt of the request. If the notice is not given within 20 days after receipt of the request, the persons entitled to call the meeting may give the notice or the superior court of the proper county shall summarily order the giving of the notice, after notice to the corporation giving it an opportunity to be heard. The procedure provided in subdivision (c) of Section 305 shall apply to such application. The court may issue such orders as may be appropriate, including, without limitation, orders designating the time and place of the meeting, the record date for determination of shareholders entitled to vote and the form of notice.

(d) When a shareholders' meeting is adjourned to another time or place, unless the bylaws otherwise require and except as provided in this subdivision, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 45 days or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each shareholder of record entitled to vote at the meeting.

(e) The transactions of any meeting of shareholders, however called and noticed, and wherever held, are as valid as though had at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy, and if, either before or after the meeting, each of the persons entitled to vote, not present in person or by proxy, signs a written waiver of notice or a consent to the holding of the meeting or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Attendance of a person at a meeting shall constitute a waiver of notice of and presence at such meeting, except when the person objects, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened and except that attendance at a meeting is not a waiver of any right to object to the

consideration of matters required by this division to be included in the notice but not so included, if such objection is expressly made at the meeting. Neither the business to be transacted at nor the purpose of any regular or special meeting of shareholders need be specified in any written waiver of notice, consent to the holding of the meeting or approval of the minutes thereof, unless otherwise provided in the articles or bylaws, except as provided in subdivision (f).

(f) Any shareholder approval at a meeting, other than unanimous approval by those entitled to vote, pursuant to Section 310, 902, 1201, 1900 or 2007 shall be valid only if the general nature of the proposal so approved was stated in the notice of meeting or in any written waiver of notice.

SEC. 7.3. Section 604 of the Corporations Code is amended to read:

604. (a) Any form of proxy or written consent distributed to 10 or more shareholders of a corporation with outstanding shares held of record by 100 or more persons shall afford an opportunity on the proxy or form of written consent to specify a choice between approval and disapproval of each matter or group of related matters intended to be acted upon at the meeting for which the proxy is solicited or by such written consent, other than elections to office, and shall provide, subject to reasonable specified conditions, that where the person solicited specifies a choice with respect to any such matter the shares will be voted in accordance therewith.

This subdivision does not apply to any corporation with an outstanding class of securities registered under Section 12 of the Securities Exchange Act of 1934 or whose securities are exempted from such registration by Section 12(g)(2) of that act.

(b) Every form of proxy or written consent, which provides an opportunity to specify approval or disapproval with respect to any proposal, shall also contain an appropriate space marked "abstain," whereby a shareholder may indicate a desire to abstain from voting his or her shares on the proposal. A proxy marked "abstain" by the shareholder with respect to a particular proposal shall not be voted either for or against such proposal.

(c) In any election of directors, any form of proxy in which the directors to be voted upon are named therein as candidates and which is marked by a shareholder "withhold" or otherwise marked in a manner indicating that the authority to vote for the election of directors is withheld shall not be voted either for or against the election of a director.

This subdivision does not apply to any corporation with an outstanding class of securities registered under Section 12 of the Securities Exchange Act of 1934 or whose securities are exempted from such registration by Section 12(g)(2) of that act.

(d) Failure to comply with this section shall not invalidate any corporate action taken, but may be the basis for challenging any proxy at a meeting and the superior court may compel compliance therewith at the suit of any shareholder.

SEC. 7.7. Section 701 of the Corporations Code is amended to read:

701. (a) In order that the corporation may determine the shareholders entitled to notice of any meeting or to vote or entitled to receive payment of any dividend or other distribution or allotment of any rights or entitled to exercise any rights in respect of any other lawful action, the board may fix, in advance, a record date, which shall not be more than 60 nor less than 10 days prior to the date of such meeting nor more than 60 days prior to any other action.

(b) If no record date is fixed:

(1) The record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the business day next preceding the day on which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held.

(2) The record date for determining shareholders entitled to give consent to corporate action in writing without a meeting, when no prior action by the board has been taken, shall be the day on which the first written consent is given.

(3) The record date for determining shareholders for any other purpose shall be at the close of business on the day on which the board adopts the resolution relating thereto, or the 60th day prior to the date of such other action, whichever is later.

(c) A determination of shareholders of record entitled to notice of or to vote at a meeting of shareholders shall apply to any adjournment of the meeting unless the board fixes a new record date for the adjourned meeting, but the board shall fix a new record date if the meeting is adjourned for more than 45 days from the date set for the original meeting.

(d) Shareholders at the close of business on the record date are entitled to notice and to vote or to receive the dividend, distribution or allotment of rights or to exercise the rights, as the case may be, notwithstanding any transfer of any shares on the books of the corporation after the record date, except as otherwise provided in the articles or by agreement or in this division.

SEC. 8. Section 705 of the Corporations Code is amended to read:

705. (a) Every person entitled to vote shares may authorize another person or persons to act by proxy with respect to such shares. Any proxy purporting to be executed in accordance with the provisions of this division shall be presumptively valid.

(b) No proxy shall be valid after the expiration of 11 months from the date thereof unless otherwise provided in the proxy. Every proxy continues in full force and effect until revoked by the person executing it prior to the vote pursuant thereto, except as otherwise provided in this section. Such revocation may be effected by a writing delivered to the corporation stating that the proxy is revoked or by a subsequent proxy executed by the person executing the prior

proxy and presented to the meeting, or by attendance at the meeting and voting in person by the person executing the proxy. The dates contained on the forms of proxy presumptively determine the order of execution, regardless of the postmark dates on the envelopes in which they are mailed.

(c) A proxy is not revoked by the death or incapacity of the maker unless, before the vote is counted, written notice of such death or incapacity is received by the corporation.

(d) Except when other provision shall have been made by written agreement between the parties, the recordholder of shares which such person holds as pledgee or otherwise as security or which belong to another shall issue to the pledgor or to the owner of such shares, upon demand therefor and payment of necessary expenses thereof, a proxy to vote or take other action thereon.

(e) A proxy which states that it is irrevocable is irrevocable for the period specified therein (notwithstanding subdivision (c)) when it is held by any of the following or a nominee of any of the following:

(1) A pledgee;

(2) A person who has purchased or agreed to purchase or holds an option to purchase the shares or a person who has sold a portion of such person's shares in the corporation to the maker of the proxy;

(3) A creditor or creditors of the corporation or the shareholder who extended or continued credit to the corporation or the shareholder in consideration of the proxy if the proxy states that it was given in consideration of such extension or continuation of credit and the name of the person extending or continuing credit;

(4) A person who has contracted to perform services as an employee of the corporation, if a proxy is required by the contract of employment and if the proxy states that it was given in consideration of such contract of employment, the name of the employee and the period of employment contracted for; or

(5) A person designated by or under an agreement under Section 706.

Notwithstanding the period of irrevocability specified, the proxy becomes revocable when the pledge is redeemed, the option or agreement to purchase is terminated or the seller no longer owns any shares of the corporation or dies, the debt of the corporation or the shareholder is paid, the period of employment provided for in the contract of employment has terminated or the agreement under Section 706 has terminated. In addition to the foregoing clauses (1) through (5), a proxy may be made irrevocable (notwithstanding subdivision (c)) if it is given to secure the performance of a duty or to protect a title, either legal or equitable, until the happening of events which, by its terms, discharge the obligations secured by it.

(f) A proxy may be revoked, notwithstanding a provision making it irrevocable, by a transferee of shares without knowledge of the existence of the provision unless the existence of the proxy and its irrevocability appears on the certificate representing such shares.

SEC. 9. Section 708 of the Corporations Code is amended to

read:

708. (a) Every shareholder complying with subdivision (b) and entitled to vote at any election of directors may cumulate such shareholder's votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which the shareholder's shares are entitled, or distribute the shareholder's votes on the same principle among as many candidates as the shareholder thinks fit.

(b) No shareholder shall be entitled to cumulate votes (i.e., cast for any candidate a number of votes greater than the number of the shareholder's shares) unless such candidate or candidates' names have been placed in nomination prior to the voting and the shareholder has given notice at the meeting prior to the voting of the shareholder's intention to cumulate the shareholder's votes. If any one shareholder has given such notice, all shareholders may cumulate their votes for candidates in nomination.

(c) In any election of directors, the candidates receiving the highest number of votes of the shares entitled to be voted for them up to the number of directors to be elected by such shares are elected.

(d) Subdivision (a) applies to the shareholders of any mutual water company organized or existing for the purpose of delivering water to its shareholders at cost on lands located within the boundaries of one or more reclamation districts now or hereafter legally existing in this state and created by or formed under the provisions of any statute of this state, but does not otherwise apply to the shareholders of mutual water companies unless their articles or bylaws so provide.

(e) Elections for directors need not be by ballot unless a shareholder demands election by ballot at the meeting and before the voting begins or unless the bylaws so require.

SEC. 9.3. Section 902 of the Corporations Code is amended to read:

902. (a) After any shares have been issued, amendments may be adopted if approved by the board and approved by the outstanding shares (Section 152), either before or after the approval by the board.

(b) Notwithstanding subdivision (a), an amendment extending the corporate existence or making the corporate existence perpetual may be adopted by a corporation organized prior to August 14, 1929, with approval by the board alone.

(c) Notwithstanding subdivision (a), unless the corporation has more than one class of shares outstanding, an amendment effecting only a stock split (including an increase in the authorized number of shares in proportion thereto) may be adopted with approval by the board alone.

(d) Notwithstanding subdivision (a), an amendment deleting the names and addresses of the first directors or the name and address of the initial agent may be adopted with approval by the board alone.

(e) Whenever the articles require for corporate action the vote of

a larger proportion or of all of the shares of any class or series, or of a larger proportion or of all of the directors, than is otherwise required by this division, the provision in the articles requiring such greater vote shall not be altered, amended or repealed except by such greater vote unless otherwise provided in the articles.

(f) Notwithstanding subdivision (a), any amendment reducing the vote required for an amendment pursuant to subdivision (c) of Section 158 may not be adopted unless approved by the affirmative vote of at least two-thirds of each class of outstanding shares or such other vote as may then be specified by the articles of the corporation.

SEC. 9.7. Section 904 of the Corporations Code is amended to read:

904. If any amendment of the articles would make shares assessable or would authorize remedy by action for the collection of an assessment on fully paid shares, it must be approved by all of the outstanding shares affected regardless of limitations or restrictions on the voting rights thereof.

SEC. 10. Section 910 of the Corporations Code is amended to read:

910. (a) A corporation may restate in a single certificate the entire text of its articles as amended by filing an officers' certificate entitled "Restated Articles of Incorporation of (insert name of corporation)" which shall set forth the articles as amended to the date of the filing of the certificate, except that the signatures and acknowledgments of the incorporators and any statements regarding the effect of any prior amendment upon outstanding shares and any provisions of agreements of merger (other than amendments to the articles of the surviving corporation) and the names and addresses of the first directors and of the initial agent for service of process shall be omitted. Such omissions are not alterations or amendments of the articles. The certificate may also itself alter or amend the articles in any respect, in which case the certificate must comply with Section 905 or 906, as the case may be, and Section 907.

(b) If the certificate does not itself alter or amend the articles in any respect, it shall be approved by the board and shall be subject to the provisions of this chapter relating to an amendment of the articles not requiring any approval of the outstanding shares (Section 152). If the certificate does itself alter or amend the articles, it shall be subject to the provisions of this chapter relating to the amendment or amendments so made.

(c) Certificates of determination are a part of the articles within the meaning of this section. The provisions of such a certificate shall be given an article designation in the restated articles.

(d) Restated articles of incorporation filed pursuant to this section shall supersede for all purposes the original articles and all amendments and certificates of determination filed prior thereto.

SEC. 10.5. Section 1001 of the Corporations Code is amended to read:

1001. (a) A corporation may sell, lease, convey, exchange,

transfer or otherwise dispose of all or substantially all of its assets when the principal terms are

(1) Approved by the board, and

(2) Unless the transaction is in the usual and regular course of its business, approved by the outstanding shares (Section 152), either before or after approval by the board and before or after the transaction.

A transaction constituting a reorganization (Section 181) is subject to the provisions of Chapter 12 (commencing with Section 1200) and not this section (other than subdivision (d) hereof).

(b) Notwithstanding approval of the outstanding shares (Section 152), the board may abandon the proposed transaction without further action by the shareholders, subject to the contractual rights, if any, of third parties.

(c) Such sale, lease, conveyance, exchange, transfer or other disposition may be made upon such terms and conditions and for such consideration as the board may deem in the best interests of the corporation. The consideration may be money, property or securities of any other corporation, domestic or foreign, or any of them.

(d) If the buyer in a sale of assets pursuant to subdivision (a) of this section or subdivision (g) of Section 2001 is in control of or under common control with the seller, the principal terms of the sale must be approved by at least 90 percent of the voting power unless the sale is to a domestic or foreign corporation in consideration of the nonredeemable common shares of the purchasing corporation or its parent.

(e) Subdivision (d) does not apply to any transaction if the Commissioner of Corporations, the Insurance Commissioner or the Public Utilities Commission has approved the terms and conditions of the transaction and the fairness of such terms and conditions pursuant to Section 25142, Section 838.5 of the Insurance Code or Section 822 of the Public Utilities Code.

SEC. 11. Section 1101 of the Corporations Code is amended to read:

1101. The board of each corporation which desires to merge shall approve an agreement of merger. The constituent corporations shall be parties to the agreement of merger and other persons, including a parent party corporation (Section 1200), may be parties to the agreement of merger. The agreement shall state:

(a) The terms and conditions of the merger:

(b) The amendments, subject to Sections 900 and 907, to the articles of the surviving corporation to be effected by the merger, if any; if any amendment changes the name of the surviving corporation the new name may be the same as or similar to the name of a disappearing domestic or foreign corporation, subject to subdivision (b) of Section 201;

(c) The name and place of incorporation of each constituent corporation and which of the constituent corporations is the surviving corporation;

(d) The manner of converting the shares of each of the constituent corporations into shares or other securities of the surviving corporation and, if any shares of any of the constituent corporations are not to be converted solely into shares or other securities of the surviving corporation, the cash, property, rights or securities of any corporation which the holders of such shares are to receive in exchange for such shares, which cash, property, rights or securities of any corporation may be in addition to or in lieu of shares or other securities of the surviving corporation; and

(e) Such other details or provisions as are desired, if any, including, without limitation, a provision for the payment of cash in lieu of fractional shares or for any other arrangement with respect thereto consistent with the provisions of Section 407. Each share of the same class, or series of any constituent corporation (other than the cancellation of shares held by a surviving corporation or its parent or a wholly owned subsidiary of either in a constituent corporation) shall, unless all shareholders of the class or series consent and except as provided in Section 407, be treated equally with respect to any distribution of cash, property, rights or securities. Notwithstanding subdivision (d), except in a short-form merger, the nonredeemable common shares of a constituent corporation may be converted only into nonredeemable common shares of the surviving corporation or a parent party if a constituent corporation or its parent owns, directly or indirectly, shares of another constituent corporation representing more than 50 percent of the voting power of the other constituent corporation prior to the merger, unless all of the shareholders of the class consent and except as provided in Section 407.

SEC. 11.5. Section 1101.1 is added to the Corporations Code, to read:

1101.1. The last two sentences of Section 1101 do not apply to any transaction if the Commissioner of Corporations, the Commissioner of Insurance or the Public Utilities Commission has approved the terms and conditions of the transaction and the fairness of such terms and conditions pursuant to Section 25142 or Section 838.5 of the Insurance Code or Section 822 of the Public Utilities Code.

SEC. 11.7. Section 1103 of the Corporations Code is amended to read:

1103. After approval of a merger by the board and any approval of the outstanding shares (Section 152) required by Chapter 12 (commencing with Section 1200), the surviving corporation shall file a copy of the agreement of merger with an officers' certificate of each constituent corporation attached stating the total number of outstanding shares of each class entitled to vote on the merger, that the principal terms of the agreement in the form attached were approved by that corporation by a vote of a number of shares of each class which equaled or exceeded the vote required, specifying each class entitled to vote and the percentage vote required of each class, or that the merger was entitled to be approved by the board alone under the provisions of Section 1201. If equity securities of a parent

of a constituent corporation are to be issued in the merger, the officers' certificate of that constituent corporation shall state either that no vote of the shareholders of the parent was required or that the required vote was obtained. The merger and any amendment of the articles of the surviving corporation contained in the merger agreement shall thereupon be effective (subject to subdivision (c) of Section 110 and subject to the provisions of Section 1108) and the several parties thereto shall be one corporation. The agreement shall not be filed, however, until there has been filed by or on behalf of each corporation taxed under the Bank and Corporation Tax Law (Part 11 (commencing with Section 23001) of Division 2 of the Revenue and Taxation Code), the existence of which is terminated by the merger, the certificate of satisfaction of the Franchise Tax Board that all taxes imposed by said law have been paid or secured. The Secretary of State may certify a copy of the merger agreement separate from the officers' certificates attached thereto.

SEC. 12. Section 1108 of the Corporations Code is amended to read:

1108. (a) The merger of any number of domestic corporations with any number of foreign corporations may be effected if the foreign corporations are authorized by the laws under which they are formed to effect such a merger. The surviving corporation may be any one of the constituent corporations and shall continue to exist under the laws of the state or place of its incorporation.

(b) If the surviving corporation is a domestic corporation, the merger proceedings with respect to that corporation and any domestic disappearing corporation shall conform to the provisions of this chapter governing the merger of domestic corporations, or to Section 1110, but if the surviving corporation is a foreign corporation, then, subject to the requirements of subdivision (d) and of Section 407 and Chapters 12 (commencing with Section 1200) and 13 (commencing with Section 1300) (with respect to any domestic constituent corporations), the merger proceedings may be in accordance with the laws of the state or place of incorporation of the surviving corporation.

(c) If the surviving corporation is a domestic corporation, the agreement and the officers' certificate of each domestic or foreign constituent corporation shall be filed as provided in Section 1103 and thereupon, subject to subdivision (c) of Section 110, the merger shall be effective as to each domestic constituent corporation; and each foreign disappearing corporation which is qualified for the transaction of intrastate business shall by virtue of the filing automatically surrender its right to transact intrastate business.

(d) Subject to Section 1110, if the surviving corporation is a foreign corporation, the merger shall become effective in accordance with the law of the jurisdiction in which it is organized, but shall be effective as to any domestic disappearing corporation as of the time of effectiveness in such foreign jurisdiction upon the filing in this state as required by this subdivision. There shall be filed as to the domestic disappearing corporation or corporations a copy of the

agreement, certificate or other document filed by the surviving foreign corporation in the state or place of its incorporation for the purpose of effecting the merger, which copy shall be certified by the public officer having official custody of the original or, in lieu thereof, an executed counterpart of such agreement, certificate or other document; and each foreign disappearing corporation which is qualified for the transaction of intrastate business shall automatically by such filing surrender its right to transact intrastate business.

(e) The provisions of the last two sentences of Section 1101 and Chapters 12 (commencing with Section 1200) and 13 (commencing with Section 1300) apply to the rights of the shareholders of any of the constituent corporations which are domestic corporations and of any domestic corporation which is a parent party of any foreign constituent corporation.

SEC. 13. Section 1109 of the Corporations Code is amended to read:

1109. Whenever a domestic or foreign corporation having any real property in this state merges or consolidates with another corporation pursuant to the laws of this state or of the state or place in which any constituent corporation was incorporated, and the laws of the state or place of incorporation (including this state) of any disappearing corporation provide substantially that the making and filing of the agreement of merger or consolidation vests in the surviving or consolidated corporation all the real property of any disappearing corporation, the filing for record in the office of the county recorder of any county in this state in which any of the real property of such disappearing corporation is located of either (a) a certificate prescribed by the Secretary of State, or (b) a copy of the agreement of merger or consolidation or certificate of ownership or certificate of merger, certified by the Secretary of State or an authorized public official of the state or place pursuant to the laws of which the merger or consolidation is effected, shall evidence record ownership in the surviving or consolidated corporation of all interest of such disappearing corporation in and to the real property located in that county.

SEC. 14. Section 1110 of the Corporations Code is amended to read:

1110. (a) If a domestic corporation owns all the outstanding shares of a corporation or corporations, domestic or foreign, the merger of the subsidiary corporation or corporations into the parent corporation may be effected by a resolution adopted by the board of the parent corporation and the filing of a certificate of ownership as provided in subdivision (d). The resolution shall provide for the merger and shall provide that the parent corporation assumes all the liabilities of each subsidiary corporation.

(b) If a domestic corporation owns less than all the outstanding shares but at least 90 percent of the outstanding shares of each class of a corporation or corporations, domestic or foreign, the merger of the subsidiary corporation or corporations into the parent corporation may be effected by resolutions adopted by the boards of the parent and each subsidiary corporation and the filing of a

certificate of ownership as provided in subdivision (d). The resolution of the board of the parent corporation shall provide for the merger, shall provide that the parent corporation assumes all the liabilities of each subsidiary corporation and shall set forth the securities, cash, property or rights to be issued, paid, delivered or granted by the parent corporation upon surrender of each share of each subsidiary corporation not owned by the parent corporation. The resolution of the board of each subsidiary corporation shall approve the fairness of the consideration to be received for each share of the subsidiary corporation not owned by the parent corporation.

(c) In any merger pursuant to this section, the parent corporation may change its name, subject to Section 201, regardless of whether the name so adopted is the same as or similar to that of one of the disappearing corporations. In such case the resolution shall provide for the amendment of articles to change the name and shall establish the wording of the amendment as provided in Section 907.

(d) After adoption of the resolution or resolutions of merger, a certificate of ownership consisting of an officers' certificate of the parent corporation shall be filed, and a copy thereof for each domestic and qualified foreign disappearing corporation shall also be filed. The certificate of ownership shall:

(1) Identify the parent and subsidiary corporation or corporations.

(2) Set forth the share ownership by the parent corporation of each subsidiary corporation as 100 percent of the outstanding shares or as at least 90 percent of the outstanding shares of each class, as the case may be.

(3) Set forth the resolution adopted by the board of the parent corporation, including the resolution for change of name if applicable.

(4) Set forth the resolution adopted by the board of each subsidiary corporation, if required.

(e) The certificate of ownership shall not be filed, however, until there has been filed by or on behalf of each subsidiary corporation taxed under the Bank and Corporation Tax Law (Part 11 (commencing with Section 23001) of Division 2 of the Revenue and Taxation Code), the existence of which is terminated by the merger, the certificate of satisfaction of the Franchise Tax Board that all taxes imposed by such law have been paid or secured.

(f) Upon the filing of the certificate of ownership, the merger shall be effective and any amendment of the articles of the surviving corporation set forth in the certificate shall be effective.

(g) A merger pursuant to this section may be effected if the parent corporation is a foreign corporation and if at least one subsidiary corporation is a domestic corporation but in such a case the certificate of ownership prepared as in subdivision (d) shall be filed as to each domestic and qualified foreign subsidiary corporation, but no filing shall be made as to the foreign parent corporation.

(h) A foreign subsidiary corporation may not be merged as in this

section provided and a foreign parent corporation may not act as in this section provided unless the laws of the state or place of its incorporation permit such action.

(i) In the event all of the outstanding shares of a subsidiary domestic corporation party to a merger effected under this section are not owned by the parent corporation immediately prior to the merger, the parent corporation shall, at least 20 days before the effective date of the merger, give notice to each shareholder of such subsidiary corporation that the merger will become effective on or after a specified date, which notice shall contain a copy of the resolutions of the boards of the parent and the subsidiary required by subdivision (b) and the information required by subdivision (a) of Section 1301. The notice shall be sent by mail addressed to the shareholder at the address of such shareholder as it appears on the records of the corporation. Any such shareholder shall have the right to demand payment of cash for the shares of such shareholder pursuant to the provisions of Chapter 13 (commencing with Section 1300).

SEC. 15. Section 1201 of the Corporations Code is amended to read:

1201. (a) The principal terms of a reorganization shall be approved by the outstanding shares (Section 152) of each class of each corporation the approval of whose board is required under Section 1200, except as provided in subdivision (b) and except that (unless otherwise provided in the articles) no approval of any class of outstanding preferred shares of the surviving or acquiring corporation or parent party shall be required if the rights, preferences, privileges and restrictions granted to or imposed upon such class of shares remain unchanged (subject to the provisions of subdivision (c)). For the purpose of this subdivision, two classes of common shares differing only as to voting rights shall be considered as a single class of shares.

(b) No approval of the outstanding shares (Section 152) is required by subdivision (a) in the case of any corporation if such corporation, or its shareholders immediately before the reorganization, or both, shall own (immediately after the reorganization) equity securities, other than any warrant or right to subscribe to or purchase such equity securities, of the surviving or acquiring corporation or a parent party (subdivision (d) of Section 1200) possessing more than five-sixths of the voting power of the surviving or acquiring corporation or parent party. In making the determination of ownership by the shareholders of a corporation, immediately after the reorganization, of equity securities pursuant to the preceding sentence, equity securities which they owned immediately before the reorganization as shareholders of another party to the transaction shall be disregarded. For the purpose of this section only, the voting power of a corporation shall be calculated by assuming the conversion of all equity securities convertible (immediately or at some future time) into shares entitled to vote but not assuming the exercise of any warrant or right to subscribe to or purchase such

shares.

(c) Notwithstanding the provisions of subdivision (b), a reorganization shall be approved by the outstanding shares (Section 152) of the surviving corporation in a merger reorganization if any amendment is made to its articles which would otherwise require such approval.

(d) Notwithstanding the provisions of subdivision (b), a reorganization shall be approved by the outstanding shares (Section 152) of any class of a corporation which is a party to a merger or sale-of-assets reorganization if holders of shares of that class receive shares of the surviving or acquiring corporation having different rights, preferences, privileges or restrictions than those surrendered. Shares in a foreign corporation received in exchange for shares in a domestic corporation have different rights, preferences, privileges and restrictions within the meaning of the preceding sentence.

(e) Notwithstanding the provisions of subdivisions (a) and (b), a reorganization shall be approved by the affirmative vote of at least two-thirds of each class of the outstanding shares of any close corporation if the reorganization would result in their receiving shares of a corporation which is not a close corporation; provided, however, that the articles may provide for a lesser vote, but not less than a majority of the outstanding shares of each class.

(f) Any approval required by this section may be given before or after the approval by the board. Notwithstanding approval required by this section, the board may abandon the proposed reorganization without further action by the shareholders, subject to the contractual rights, if any, of third parties.

SEC. 16. Section 1305 of the Corporations Code is amended to read:

1305. (a) If the court appoints an appraiser or appraisers, they shall proceed forthwith to determine the fair market value per share. Within the time fixed by the court, the appraisers, or a majority of them, shall make and file a report in the office of the clerk of the court. Thereupon, on the motion of any party, the report shall be submitted to the court and considered on such evidence as the court considers relevant. If the court finds the report reasonable, the court may confirm it.

(b) If a majority of the appraisers appointed fail to make and file a report within 10 days from the date of their appointment or within such further time as may be allowed by the court or the report is not confirmed by the court, the court shall determine the fair market value of the dissenting shares.

(c) Subject to the provisions of Section 1306, judgment shall be rendered against the corporation for payment of an amount equal to the fair market value of each dissenting share multiplied by the number of dissenting shares which any dissenting shareholder who is a party, or who has intervened, is entitled to require the corporation to purchase, with interest thereon at the legal rate from the date on which judgment was entered.

(d) Any such judgment shall be payable only upon the

endorsement and delivery to the corporation of the certificates for the shares described in the judgment. Any party may appeal from the judgment.

(e) The costs of the action, including reasonable compensation to the appraisers to be fixed by the court, shall be assessed or apportioned as the court considers equitable, but, if the appraisal exceeds the price offered by the corporation, the corporation shall pay the costs (including in the discretion of the court attorneys' fees, fees of expert witnesses and interest at the legal rate on judgments from the date of compliance with Sections 1300, 1301 and 1302 if the value awarded by the court for the shares is more than 125 percent of the price offered by the corporation under subdivision (a) of Section 1301).

SEC. 16.2. Section 1501 of the Corporations Code is amended to read:

1501. (a) The board shall cause an annual report to be sent to the shareholders not later than 120 days after the close of the fiscal year, unless in the case of a corporation with less than 100 holders of record of its shares (determined as provided in Section 605) this requirement is expressly waived in the bylaws. Such report shall contain a balance sheet as of the end of such fiscal year and an income statement and statement of changes in financial position for such fiscal year, accompanied by any report thereon of independent accountants or, if there is no such report, the certificate of an authorized officer of the corporation that such statements were prepared without audit from the books and records of the corporation.

Unless so waived, such report shall be sent to the shareholders at least 15 days prior to the annual meeting of shareholders to be held during the next fiscal year, but this requirement shall not limit the requirement for holding an annual meeting as required by Section 600.

Notwithstanding Section 114, the financial statements of any corporation with fewer than 100 holders of record of its shares (determined as provided in Section 605) required to be furnished by this subdivision and subdivision (c) of this section are not required to be prepared in conformity with generally accepted accounting principles if they reasonably set forth the assets and liabilities and the income and expense of the corporation and disclose the accounting basis used in their preparation.

(b) In addition to the financial statements required by subdivision (a), the annual report of any corporation having 100 or more holders of record of its shares (determined as provided in Section 605) and having no class of securities registered under Section 12 of the Securities Exchange Act of 1934, or exempted from such registration by Section 12(g)(2) of that act, shall also describe briefly:

(1) Any transaction (excluding compensation of officers and directors) during the previous fiscal year involving an amount in excess of forty thousand dollars ($40,000) (other than contracts let at

competitive bid or services rendered at prices regulated by law) to which the corporation or its parent or subsidiary was a party and in which any director or officer of the corporation or of a subsidiary or (if known to the corporation or its parent or subsidiary) any holder of more than 10 percent of the outstanding voting shares of the corporation had a direct or indirect material interest, naming such person and stating such person's relationship to the corporation, the nature of such person's interest in the transaction and, where practicable, the amount of such interest; provided, that in the case of a transaction with a partnership of which such person is a partner, only the interest of the partnership need be stated; and provided, further that no such report need be made in the case of transactions approved by the shareholders (Section 153) under subdivision (a) of Section 310.

(2) The amount and circumstances of any indemnification or advances aggregating more than ten thousand dollars ($10,000) paid during the fiscal year to any officer or director of the corporation pursuant to Section 317; provided, that no such report need be made in the case of indemnification approved by the shareholders (Section 153) under paragraph (2) of subdivision (e) of Section 317.

(c) If no annual report for the last fiscal year has been sent to shareholders, the corporation shall, upon the written request of any shareholder made more than 120 days after the close of such fiscal year, deliver or mail to the person making the request within 30 days thereafter the financial statements required by subdivision (a) for such year. A shareholder or shareholders holding at least 5 percent of the outstanding shares of any class of a corporation may make a written request to the corporation for an income statement of the corporation for the three-month, six-month or nine-month period of the current fiscal year ended more than 30 days prior to the date of the request and a balance sheet of the corporation as of the end of such period and, in addition, if no annual report for the last fiscal year has been sent to shareholders, the statements required by subdivision (a) for the last fiscal year. The statements shall be delivered or mailed to the person making the request within 30 days thereafter. A copy of the statements shall be kept on file in the principal office of the corporation for 12 months and they shall be exhibited at all reasonable times to any shareholder demanding an examination of them or a copy shall be mailed to such shareholder.

(d) The quarterly income statements and balance sheets referred to in this section shall be accompanied by the report thereon, if any, of any independent accountants engaged by the corporation or the certificate of an authorized officer of the corporation that such financial statements were prepared without audit from the books and records of the corporation.

(e) In addition to the penalties provided for in Section 2200, the superior court of the proper county shall enforce the duty of making and mailing or delivering the information and financial statements required by this section and, for good cause shown, may extend the

time therefor.

(f) In any action or proceeding under this section, if the court finds the failure of the corporation to comply with the requirements of this section to have been without justification, the court may award an amount sufficient to reimburse the shareholder for the reasonable expenses incurred by the shareholder, including attorneys' fees, in connection with such action or proceeding.

(g) This section applies to any domestic corporation and also to a foreign corporation having its principal executive office in this state or customarily holding meetings of its board in this state.

SEC. 16.5. Section 1702 of the Corporations Code is amended to read:

1702. (a) If an agent for the purpose of service of process has resigned and has not been replaced or if the agent designated cannot with reasonable diligence be found at the address designated for personally delivering the process, or if no agent has been designated, and it is shown by affidavit to the satisfaction of the court that process against a domestic corporation cannot be served with reasonable diligence upon the designated agent by hand in the manner provided in Section 415.10, subdivision (a) of Section 415.20 or subdivision (a) of Section 415.30 of the Code of Civil Procedure or upon the corporation in the manner provided in subdivision (a), (b) or (c) of Section 416.10 or subdivision (a) of Section 416.20 of the Code of Civil Procedure, the court may make an order that the service be made upon the corporation by delivering by hand to the Secretary of State, or to any person employed in the Secretary of State's office in the capacity of assistant or deputy, one copy of the process for each defendant to be served, together with a copy of the order authorizing such service. Service in this manner is deemed complete on the 10th day after delivery of the process to the Secretary of State.

(b) Upon the receipt of any such copy of process and the fee therefor, the Secretary of State shall give notice of the service of the process to the corporation at its principal executive office, by forwarding to such office, by registered mail with request for return receipt, the copy of the process or, if the records of the Secretary of State do not disclose an address for its principal executive office, by forwarding such copy in the same manner to the last designated agent for service of process who has not resigned. If the agent for service of process has resigned and has not been replaced and the records of the Secretary of State do not disclose an address for its principal executive office, no action need be taken by the Secretary of State.

(c) The Secretary of State shall keep a record of all process served upon the Secretary of State under this chapter and shall record therein the time of service and the Secretary of State's action with reference thereto. The certificate of the Secretary of State, under the Secretary of State's official seal, certifying to the receipt of process, the giving of notice thereof to the corporation and the forwarding of

such process pursuant to this section, shall be competent and prima facie evidence of the matters stated therein.

SEC. 17. Section 1802 of the Corporations Code is amended to read:

1802. If the ground for the complaint for involuntary dissolution of the corporation is a deadlock in the board as set forth in subdivision (b) (2) of Section 1800, the court may appoint a provisional director. The provisions of subdivision (c) of Section 308 apply to any such provisional director so appointed.

SEC. 18. Section 2000 of the Corporations Code is amended to read:

2000. (a) Subject to any contrary provision in the articles, in any suit for involuntary dissolution, or in any proceeding for voluntary dissolution initiated by the vote of shareholders representing only 50 percent of the voting power, the corporation or, if it does not elect to purchase, the holders of 50 percent or more of the voting power of the corporation (the "purchasing parties") may avoid the dissolution of the corporation and the appointment of any receiver by purchasing for cash the shares owned by the plaintiffs or by the shareholders so initiating the proceeding (the "moving parties") at their fair value. The fair value shall be determined on the basis of the liquidation value but taking into account the possibility, if any, of sale of the entire business as a going concern in a liquidation. In fixing the value, the amount of any damages resulting if the initiation of the dissolution is a breach by any moving party or parties of an agreement with the purchasing party or parties may be deducted from the amount payable to such moving party or parties, unless the ground for dissolution is that specified in paragraph (4) of subdivision (b) of Section 1800. The election of the corporation to purchase may be made by the approval of the outstanding shares (Section 152) excluding shares held by the moving parties.

(b) If the purchasing parties (1) elect to purchase the shares owned by the moving parties, and (2) are unable to agree with the moving parties upon the fair value of such shares, and (3) give bond with sufficient security to pay the estimated reasonable expenses (including attorneys' fees) of the moving parties if such expenses are recoverable under subdivision (c), the court upon application of the purchasing parties, either in the pending action or in a proceeding initiated in the superior court of the proper county by the purchasing parties in the case of a voluntary election to wind up and dissolve, shall stay the winding up and dissolution proceeding and shall proceed to ascertain and fix the fair value of the shares owned by the moving parties.

(c) The court shall appoint three disinterested appraisers to appraise the fair value of the shares owned by the moving parties, and shall make an order referring the matter to the appraisers so appointed for the purpose of ascertaining such value. The order shall prescribe the time and manner of producing evidence, if evidence is required. The award of the appraisers or of a majority of them,

when confirmed by the court, shall be final and conclusive upon all parties. The court shall enter a decree which shall provide in the alternative for winding up and dissolution of the corporation unless payment is made for the shares within the time specified by the decree. If the purchasing parties do not make payment for the shares within the time specified, judgment shall be entered against them and the surety or sureties on the bond for the amount of the expenses (including attorneys' fees) of the moving parties. Any shareholder aggrieved by the action of the court may appeal therefrom.

(d) If the purchasing parties desire to prevent the winding up and dissolution, they shall pay to the moving parties the value of their shares ascertained and decreed within the time specified pursuant to this section, or, in case of an appeal, as fixed on appeal. On receiving such payment or the tender thereof, the moving parties shall transfer their shares to the purchasing parties.

(e) For the purposes of this section, "shareholder" includes a beneficial owner of shares who has entered into an agreement under Section 300 or 706.

SEC. 18.5. Section 2110.1 is added to the Corporations Code, to read:

2110.1. In addition to the provisions of Chapter 4 (commencing with Section 413.10) of Title 5 of Part 2 of the Code of Civil Procedure, process may be served upon a foreign corporation as provided in this chapter.

SEC. 19. Section 2115 of the Corporations Code is amended to read:

2115. (a) A foreign corporation (other than a foreign association or foreign nonprofit corporation but including a foreign parent corporation even though it does not itself transact intrastate business) is subject to this section if the average of the property factor, the payroll factor and the sales factor (as defined in Sections 25129, 25132 and 25134 of the Revenue and Taxation Code) with respect to it is more than 50 percent during its latest full income year and if more than one-half of its outstanding voting securities are held of record by persons having addresses in this state. The property factor, payroll factor and sales factor shall be those used in computing the portion of its income allocable to this state in its franchise tax return or, with respect to corporations the allocation of whose income is governed by special formulas or which are not required to file separate tax returns, which would have been so used if they were governed by such three-factor formula. The determination of these factors with respect to any parent corporation shall be made on a consolidated basis, including in a unitary computation (after elimination of intercompany transactions) the property, payroll and sales of the parent and all of its subsidiaries in which it owns directly or indirectly more than 50 percent of the outstanding shares entitled to vote for the election of directors, but deducting a percentage of such property, payroll and sales of any subsidiary equal to the percentage minority ownership, if any, in such subsidiary. For the

purpose of this subdivision, any securities held to the knowledge of the issuer in the names of broker-dealers or nominees for broker-dealers shall not be considered outstanding.

(b) The following chapters and sections of this division shall apply to a foreign corporation subject to this section (to the exclusion of the law of the jurisdiction in which it is incorporated):

Chapter 1 (general provisions and definitions), to the extent applicable to the following provisions;

Section 301 (annual election of directors);

Section 303 (removal of directors without cause);

Section 304 (removal of directors by court proceedings);

Section 305, subdivision (c) (filing of director vacancies where less than a majority in office elected by shareholders);

Section 309 (directors' standard of care);

Section 316 (excluding paragraph (3) of subdivision (a) and paragraph (3) of subdivision (f)) (liability of directors for unlawful distributions);

Section 317 (indemnification of directors, officers and others);

Sections 500 to 505, inclusive (limitations on corporate distributions in cash or property);

Section 506 (liability of shareholder who receives unlawful distribution);

Section 600, subdivisions (b) and (c) (requirement for annual shareholders' meeting and remedy if same not timely held);

Section 708, subdivisions (a), (b) and (c) (shareholder's right to cumulate votes at any election of directors);

Section 1001, subdivision (d) (limitations on sale of assets);

Section 1101 (provisions following subdivision (e)) (limitations on mergers);

Chapter 12 (commencing with Section 1200) (reorganizations);

Chapter 13 (commencing with Section 1300) (dissenters' rights);

Sections 1500 and 1501 (records and reports);

Section 1508 (action by Attorney General);

Chapter 16 (commencing with Section 1600) (rights of inspection).

(c) Subdivision (a) shall become applicable to any foreign corporation only upon the first day of the first income year of the corporation commencing on or after the 30th day after the filing by it of the report pursuant to Section 2108 showing that the tests referred to in subdivision (a) have been met or on or after the entry of a final order by a court of competent jurisdiction declaring that such tests have been met.

(d) Subdivision (a) shall cease to be applicable at the end of any income year during which a report pursuant to Section 2108 shall have been filed showing that at least one of the tests referred to in subdivision (a) is not met or a final order shall have been entered by a court of competent jurisdiction declaring that one of such tests is not met, provided that such filing or order shall be ineffective if a contrary report or order shall be made or entered before the end of

such income year.

(e) This section does not apply to any corporation with outstanding securities listed on any national securities exchange certified by the Commissioner of Corporations under subdivision (o) of Section 25100, or to any corporation if all of its voting shares (other than directors' qualifying shares) are owned directly or indirectly by a corporation not subject to this section.

SEC. 19.5. Section 2203 of the Corporations Code is amended to read:

2203. (a) Any foreign corporation which transacts intrastate business and which does not hold a valid certificate from the Secretary of State may be subject to a penalty of twenty dollars ($20) for each day that such unauthorized intrastate business is transacted; and such foreign corporation, by transacting unauthorized intrastate business, shall be deemed to consent to the jurisdiction of the courts of California in any civil action arising in this state wherein such corporation is named a party defendant.

(b) The penalty established by subdivision (a) of this section shall be assessed according to the number of days it is found that the corporation has been willfully doing unauthorized intrastate business. Prosecution under this section may be brought, and the money penalty recovered thereby shall be paid, in the manner provided by Section 2258 for a prosecution brought under that section.

(c) A foreign corporation subject to the provisions of Chapter 21 (commencing with Section 2100) which transacts intrastate business without complying with Section 2105 shall not maintain any action or proceeding upon any intrastate business so transacted in any court of this state, commenced prior to compliance with Section 2105, until it has complied with the provisions thereof and has paid to the Secretary of State a penalty of two hundred fifty dollars ($250) in addition to the fees due for filing the statement and designation required by Section 2105 and has filed with the clerk of the court in which the action is pending receipts showing the payment of said fees and penalty and all franchise taxes and any other taxes on business or property in this state that should have been paid for the period during which it transacted intrastate business.

SEC. 20. Section 2302 of the Corporations Code is amended to read:

2302. The provisions of Sections 202, 204 (other than subdivision (a) thereof) and 205 of the new law relating to the contents of articles do not apply to corporations existing on the effective date unless and until an amendment of the articles is filed stating that the corporation elects to be governed by all of the provisions of the new law not otherwise applicable to it under this chapter. Such amendment may be adopted by approval of the board alone, except that, if any such amendment makes any change in the articles other than conforming the statement of purposes and powers to subdivision (b) of Section 202 and the deletion of any references to

par value and location of principal office and deleting any statement regarding the number of directors or conforming any such statement to Section 212 (subject to Section 2304), it shall also be approved by the outstanding shares (Section 152) if such approval is otherwise required for the changes made. The amendment shall not name the corporation's initial agent for service of process if a report required by Section 1502 has been filed.

SEC. 21. Section 2302.1 is added to the Corporations Code, to read:

2302.1. The provisions of subdivision (a) of Section 204, insofar as they require the inclusion of certain provisions in the articles, do not apply to the provisions of bylaws in effect on the effective date and valid under the prior law, unless and until an amendment is filed pursuant to Section 2302.

SEC. 21.5. Section 2307 of the Corporations Code is amended to read:

2307. Sections 417 and 418 of the new law relating to required statements on certificates representing shares apply to certificates representing shares of corporations existing on the effective date only if the shares are originally issued after the effective date, and the prior law shall continue to govern the certificates representing shares originally issued prior to the effective date, unless and until an amendment of the articles is filed pursuant to Section 2302, and the certificate is presented for transfer.

SEC. 22. Section 25142 of the Corporations Code is amended to read:

25142. When application is made for a permit to issue securities or to deliver other consideration (whether or not the security or transaction is exempt from qualification or not required to be qualified) in exchange for one or more bona fide outstanding securities, claims, or property interests, or partly in such exchange and partly for cash, the commissioner is expressly authorized to approve the terms and conditions of such issuance and exchange or such delivery and exchange and the fairness of such terms and conditions, and is expressly authorized to hold a hearing upon the fairness of such terms and conditions, at which all persons to whom it is proposed to issue securities or to deliver such other consideration in such exchange have the right to appear. The application for a permit to deliver consideration other than securities shall be in such form, contain such information and be accompanied by such documents as shall be required by rule of the commissioner or, in the absence thereof, in substantially the form of an application filed pursuant to Section 25121.

SEC. 23. Section 8103 of the Commercial Code is amended to read:

8103. A lien upon a security in favor of an issuer thereof is ineffective unless noted conspicuously on the security, except against a transferee with actual knowledge of it. For the purpose of this section, a transferee includes a purchaser from the corporation.

SEC. 24. Section 8204 of the Commercial Code is amended to read:

8204. Unless noted conspicuously on the security a restriction on transfer imposed by the issuer even though otherwise lawful is ineffective except against a transferee with actual knowledge of it. For the purpose of this section, a transferee includes a purchaser from the corporation.

SEC. 24.5. Section 26205.1 of the Government Code is amended to read:

26205.1. (a) The county officer having custody of nonjudicial public records, documents, instruments, books, and papers may cause to be destroyed any or all of such records, documents, instruments, books and papers if each of the following conditions exist:

(i) The board of supervisors of the county has adopted a resolution authorizing such county officer to destroy records, documents, instruments, books, and papers pursuant to this subdivision. Such resolution may impose such conditions, in addition to those specified in this subdivision, as the board of supervisors determines are appropriate.

(ii) The county officer who destroys any record, document, instrument, book, or paper pursuant to the authority granted by this subdivision and a resolution of the board of supervisors adopted pursuant to clause (i) shall maintain for the use of the public a photographic or microphotographic film, electronic recorded video production or other duplicate of such record, document, instrument, book or paper destroyed.

(iii) Clause (ii) shall not apply to records prepared or received other than pursuant to a state statute or county charter, or records which are not expressly required by law to be filed and preserved.

For the purposes of this subdivision, every reproduction shall be deemed to be an original record and a transcript, exemplification or certified copy of any reproduction shall be deemed to be a transcript, exemplification or certified copy, as the case may be, of the original.

(b) The county clerk having custody of a copy of the articles of any corporation formed after January 1, 1873, and governed by Division 1 (commencing with Section 100) of Title 1 of the Corporations Code as in effect on January 1, 1977, may cause the destruction of any or all such documents. "Articles" includes the articles of incorporation, amendments thereto, amended articles, restated articles, certificate of incorporation, certificates of determination of preferences and agreements of consolidation or merger.

SEC. 25. Section 838.5 of the Insurance Code is amended to read:

838.5. Pursuant to this code, the commissioner has been and is authorized, in the instance of an application for a permit to issue securities or to deliver other consideration in exchange for one or more bona fide outstanding securities, claims or property interests, or partly in such exchange and partly for cash, to approve the terms

and conditions of such issuance and exchange or such delivery and exchange and the fairness of such terms and conditions, after a hearing upon the fairness of such terms and conditions, to which all persons to whom it is proposed to issue securities or to deliver such other consideration in such exchange shall have the right to appear. The application for a permit to deliver consideration other than securities shall be in such form, contain such information and be accompanied by such documents as shall be required by rule of the commissioner or, in the absence thereof, in substantially the form of an application filed pursuant to Section 827.

SEC. 26. Section 822 of the Public Utilities Code is amended to read:

822. Pursuant to this part the commission may, upon an application for an order to issue stocks, bonds, debentures, notes, or other securities or to deliver other consideration in exchange for one or more bona fide outstanding stocks, bonds, debentures, notes, or other securities, claims or property interests, or partly in such exchange and partly for cash, approve the terms and conditions of such issuance and exchange or such delivery and exchange and the fairness of such terms and conditions, after a hearing upon the fairness thereof. All persons to whom it is proposed to issue stocks, bonds, debentures, notes or other securities or to deliver such other consideration in such exchange may appear at such hearing.

SEC. 27. Section 23221 of the Revenue and Taxation Code is amended to read:

23221. A corporation which incorporates under the laws of this state or qualifies to transact intrastate business in this state shall thereupon prepay the minimum tax provided in Section 23153, except that any credit union shall thereupon prepay a tax of twenty-five dollars ($25). The prepayment shall be made to the Secretary of State with the filing of the articles of incorporation or the statement and designation by foreign corporation. The Secretary of State shall transmit the amount of the prepayment to the Franchise Tax Board. The Franchise Tax Board shall certify to the Secretary of State on an individual or class basis those domestic or foreign corporations which are exempt from prepayment or for which prepayment to the Secretary of State is waived.

SEC. 28. Section 23302 of the Revenue and Taxation Code is amended to read:

23302. The Franchise Tax Board shall transmit the names of taxpayers to the Secretary of State as to which the suspension or forfeiture provisions of Section 23301, 23301.5 or 23775 are or become applicable, and the suspension or forfeiture therein provided for shall thereupon become effective and the certificate of the Secretary of State shall be prima facie evidence of such suspension or forfeiture.

SEC. 29. Section 23305a of the Revenue and Taxation Code is amended to read:

23305a. Before such certificate of revivor is issued by the Franchise Tax Board, it shall obtain from the Secretary of State an

endorsement upon such application of the fact that the name of the taxpayer then meets the requirements of subdivision (b) of Section 201 of the Corporations Code in the case of a domestic bank or corporation or of subdivision (b) of Section 2106 of the Corporations Code in the case of a foreign corporation. The reference to amendment of the articles of incorporation to set forth a new name contained in Sections 23301, 23301.5 and 23775 includes in the case of a foreign corporation the filing of an amended statement and designation to set forth its new name or to set forth an assumed name under subdivision (b) of Section 2106 of the Corporations Code. Upon the issuance of such certificate by the Franchise Tax Board the taxpayer therein named shall become reinstated but such reinstatement shall be without prejudice to any action, defense or right which has accrued by reason of the original suspension or forfeiture. The certificate of revivor shall be prima facie evidence of such reinstatement and such certificate may be recorded in the office of the county recorder of any county of this state.

SEC. 30. Section 23776 of the Revenue and Taxation Code is amended to read:

23776. Any organization which has suffered the suspension or forfeiture provided for in Section 23775 may, in accordance with Section 23305a, be relieved therefrom upon the filing of—

(a) An application for revivor and payment of a filing fee of ten dollars ($10); and

(b) When required by the Franchise Tax Board, a new application for exemption; and

(c) Any information returns, statements, notifications, or amounts due under Sections 23772, 23774, or 23775 which were not previously submitted or paid and which resulted in the suspension or forfeiture; and

(d) An information return or statement and the amounts specified under Section 23772 for each year, or part thereof, during the period of suspension or forfeiture in which the organization conducted any activities or received income, grants, gifts or any other asset.

SEC. 30.5. Section 18 of Chapter 682 of the Statutes of 1975, is amended to read:

Sec. 18. This act shall take effect on January 1, 1977; provided, however, that the provisions of the General Corporation Law as amended hereby and as subsequently amended shall become applicable to banks as defined in Section 102 of the Financial Code on January 1, 1979, and banks shall until that date continue to be subject to the General Corporation Law as in effect on December 31, 1976.

SEC. 31. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect any other provision or application of this act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

CHAPTER 236

An act to add Section 281.5 to the Welfare and Institutions Code, relating to juvenile court law.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 7, 1977.]

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

SECTION 1. Section 281.5 is added to the Welfare and Institutions Code, to read:

281.5. If a probation officer determines to recommend to the court that a minor alleged to come within Section 300, 601, or 602, or adjudged to come within Section 300, 601, or 602 should be removed from the physical custody of his parent or guardian, the probation officer shall give primary consideration to recommending to the court that the minor be placed with a relative of the minor, if such placement is in the best interests of the minor and will be conducive to reunification of the family.

CHAPTER 237

An act to amend Section 34906 of the Government Code, relating to elections.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 7, 1977.]

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

SECTION 1. Section 34906 of the Government Code is amended to read:

34906. Notwithstanding Section 36503, if the elected mayor of a city serves a two-year term and the election of the remaining members of the city council for four-year terms is not evenly staggered, the city council may, on a one-time basis only and prior to the first day for circulating nomination papers for the general municipal election, designate one of the city council offices appearing on the general municipal ballot, other than the office of the mayor, to serve a two-year term, or may provide that of the city council offices appearing on the general municipal ballot, other than the office of the mayor, the one which receives the least votes of those elected (or if there is a tie for such a position, as decided by lot) shall serve a two-year term. At all subsequent general municipal elections, each member of the city council elected at such election, other than the mayor, shall be elected to serve a four-year term.

CHAPTER 238

An act to amend Section 24200 of the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor July 7, 1977 Filed with Secretary of State July 7, 1977.]

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

SECTION 1. Section 24200 of the Business and Professions Code is amended to read:

24200. The following are the grounds which constitute a basis for the suspension or revocation of licenses:

(a) When the continuance of a license would be contrary to public welfare or morals; but proceedings under this section upon this ground are not a limitation upon the department's authority to proceed under Article XX, Section 22, of the California Constitution.

(b) Except as limited by Chapter 11 (commencing with Section 24850) and Chapter 12 (commencing with Section 25000) of this division, the violation or the causing or the permitting of a violation by a licensee of this division, any rules of the board adopted pursuant to Part 14 (commencing with Section 32001) of Division 2 of the Revenue and Taxation Code or any rules of the department adopted pursuant to the provisions of this division, or any other penal provisions of law of this state prohibiting or regulating the sale, exposing for sale, use, possession, giving away, adulteration, dilution, misbranding, or mislabeling of alcoholic beverages or intoxicating liquors.

(c) The misrepresentation of a material fact by an applicant in obtaining a license.

(d) The plea, verdict, or judgment of guilty, or the plea of nolo contendere to any public offense involving moral turpitude or under any federal law prohibiting or regulating the sale, exposing for sale, use, possession, or giving away of alcoholic beverages or intoxicating liquors or prohibiting the refilling or reuse of distilled spirits containers charged against the licensee.

(e) Failure to correct objectionable conditions constituting a nuisance within a reasonable time after receipt of notice to make such corrections from a district attorney under Section 373a of the Penal Code.

CHAPTER 239

An act to amend Sections 826 and 826.5 of the Welfare and Institutions Code, relating to juvenile court law.

[Approved by Governor July 7, 1977 Filed with Secretary of State July 7, 1977.]

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

SECTION 1. Section 826 of the Welfare and Institutions Code is amended to read:

826. After five years from the date on which the jurisdiction of the juvenile court over a minor is terminated, the judge or clerk of the juvenile court, or the probation officer, may destroy all records and papers in the proceedings concerning the minor. Exhibits shall be destroyed as provided under Sections 1418, 1418.5, and 1419 of the Penal Code. For the purpose of this section, "destroy" means destroy or dispose of for the purpose of destruction.

The juvenile court record, any minute book entries, dockets, and judgment dockets shall be microfilmed or photocopied prior to destruction. Every such reproduction shall be deemed and considered an original. A transcript, exemplification, or certified copy of any reproduction shall be deemed and considered a transcript, exemplification, or certified copy, as the case may be, of the original.

SEC. 2. Section 826.5 of the Welfare and Institutions Code is amended to read:

826.5. (a) Notwithstanding the provisions of Section 826, at any time within a period of five years after the jurisdiction of the juvenile court over a minor is terminated, the judge or clerk of the juvenile court or the probation officer may destroy all records and papers, the juvenile court record, any minute book entries, dockets, and judgment dockets in the proceedings concerning the minor if the records and papers, juvenile court record, any minute book entries, dockets, and judgment dockets are microfilmed or photocopied prior to destruction. Exhibits shall be destroyed as provided under Sections 1418, 1418.5, and 1419 of the Penal Code. For the purposes of this section, "destroy" means destroy or dispose of for the purpose of destruction.

(b) Every reproduction shall be deemed and considered an original. A transcript, exemplification, or certified copy of any reproduction shall be deemed and considered a transcript, exemplification, or certified copy, as the case may be, of the original.

CHAPTER 240

An act to amend Sections 89301 and 89304 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, relating to the California State University and Colleges.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 7, 1977.]

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

SECTION 1. Section 89301 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

89301. Notwithstanding any provision of law to the contrary, except as provided pursuant to Section 89707.5 with respect to nonresident students who are citizens and residents of a foreign country and who are not citizens of the United States, student body organization membership fees authorized under the provisions of Section 89300 hereof shall be collected by the officials of the campus of the California State University and Colleges, together with all tuition and material and service fees, at the time of registration, except where a student loan or grant from a recognized training program or student aid program has been delayed and there is reasonable proof that the funds will be forthcoming. Exception may also be made where changes are made during the change of program period which result in a higher fee category than paid at the time of registration. All unexpended funds and money collected on behalf of or by student body organizations, except funds and money collected from commercial services as provided in Section 89305, shall, with the approval of an appropriate officer of the student body organization, be deposited in trust by the chief fiscal officer of the campus and such money shall, subject to the approval of the trustees, be deposited or invested in any one or more of the following ways:

(a) Deposits in trust accounts of the centralized State Treasury system pursuant to Sections 16305 to 16305.7, inclusive, of the Government Code or in the California State University and Colleges Trust Fund or in a bank of banks whose accounts are insured by the Federal Deposit Insurance Corporation.

(b) Investment certificates or withdrawable shares in state-chartered savings and loan associations and savings accounts of federal savings and loan associations; provided such associations are doing business in this state and have their accounts insured by the Federal Savings and Loan Insurance Corporation; and provided further that any money so invested or deposited is invested or deposited in certificates, shares, or accounts fully covered by such insurance.

(c) Purchase of any of the securities authorized for investment by Section 16430 of the Government Code or investment by the State Treasurer in those securities.

(d) Participation in funds which are exempt from federal income tax pursuant to Section 501 (c) (3) of the Internal Revenue Code and which are open exclusively to nonprofit colleges, universities, and independent schools.

(e) Investment certificates or withdrawable shares in federal or state credit unions; provided such credit unions are doing business in this state and have their accounts insured and audited by the National Credit Union Administration; and provided further that any money so invested or deposited is invested or deposited in

certificates, shares, or accounts fully covered by such insurance.

All moneys received by a state university or college from any agency of the state or federal government for the payment of student body organizations membership fees of students attending the university or college shall be deposited or invested as provided above.

SEC. 2. Section 89304 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

89304. Upon the favorable vote of two-thirds of the students voting in an election held for the purpose at a state college, in such manner as the trustees shall prescribe, and open to all regular students enrolled in the university or college, the trustees are authorized to fix, in addition to any other student fee the trustees are authorized to fix, a building and operating fee not to exceed twenty dollars ($20) per student per academic year which shall be required of all students attending the university or college. All unexpended funds and money collected by any state college under this section shall be available for financing, operating and constructing a student body center, and until so used, shall, subject to the approval of the trustees, be deposited or invested in trust by the chief fiscal officer of that university or college in any one or more of the following ways:

(a) Deposits in trust accounts of the centralized State Treasury system pursuant to Sections 16305 to 16305.7, inclusive, of the Government Code or in the State Colleges Trust Fund or in a bank or banks whose accounts are insured by the Federal Deposit Insurance Corporation.

(b) Investment certificates or withdrawable shares in state-chartered savings and loan associations and savings accounts of federal savings and loan associations; provided such associations are doing business in this state and have their accounts insured by the Federal Savings and Loan Insurance Corporation.

(c) Purchase of any of the securities authorized for investment by Section 16430 of the Government Code or investment by the State Treasurer in those securities.

(d) Participation in funds which are exempt from federal income tax pursuant to Section 501 (c) (3) of the Internal Revenue Code and which are open exclusively to nonprofit colleges, universities, and independent schools.

(e) Investment certificates or withdrawable shares in federal or state credit unions; provided such credit unions are doing business in this state and have their accounts insured and audited by the National Credit Union Administration; and provided further that any money so invested or deposited is invested or deposited in certificates, shares, or accounts fully covered by such insurance.

The chief fiscal officer of each college shall be custodian of those moneys and provide the necessary accounting records and controls thereof.

The state university or college shall be reimbursed from these funds in an amount to cover the cost of the custodial and accounting

services provided by the university or college in connection with these funds.

These funds may be expended by the custodian only upon the submission of an appropriate claim schedule by an elected representative of the student body or his appointee.

CHAPTER 241

An act to amend Section 43.7 of the Civil Code, relating to health.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 7, 1977.]

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

SECTION 1. Section 43.7 of the Civil Code is amended to read:

43.7. There shall be no monetary liability on the part of, and no cause of action for damages shall arise against, any member of a duly appointed committee of a state or local professional society, or duly appointed member of a committee of a medical staff of a licensed hospital (provided the medical staff operates pursuant to written bylaws that have been approved by the governing board of the hospital), for any act or proceeding undertaken or performed within the scope of the functions of any such committee which is formed to maintain the professional standards of the society established by its bylaws, or any member of any peer review committee whose purpose is to review the quality of medical or dental services rendered by physicians and surgeons, or dentists, which committee is composed chiefly of physicians and surgeons, or dentists, for any act or proceeding undertaken or performed in reviewing the quality of medical or dental services rendered by physicians and surgeons, or dentists, if such committee member acts without malice, has made a reasonable effort to obtain the facts of the matter as to which he acts, and acts in reasonable belief that the action taken by him is warranted by the facts known to him after such reasonable effort to obtain facts. "Professional society" includes legal, medical, psychological, dental, accounting, optometric, podiatric, pharmaceutic, chiropractic, and engineering organizations having as members at least a majority of the eligible licentiates in the area served by the particular society. The provisions of this section do not affect the official immunity of an officer or employee of a public corporation.

This section shall not be construed to confer immunity from liability on any professional society or hospital. In any case in which, but for the enactment of the preceding provisions of this section, a cause of action would arise against a hospital or professional society, such cause of action shall exist as if the preceding provisions of this section had not been enacted.

CHAPTER 242

An act to amend Sections 10550, 16084, 16320, 16323, 22603.3, 35146, 45259, 52302, 52343, 54483, 68130, 69642, 72122, 72332, 72340, 72425, 76001, 76002, 76004, 76403, 76425, 84500, and 87660 of the Education Code, to amend Sections 8203, 8330, 8367, 16044, 21189, 39002.5, 39602, 41201, 41856, 49063, 52327.5, 69532, 76140, 78452, 78601, 81165, 81602, 84520, 85233, 85235, 85237.5, 85243, 87009, and 89546 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, to amend the heading of Article 6 (commencing with Section 76110), Chapter 1, Part 47 of, to amend and renumber the second Section 48607 of, to add Sections 39016, 39017, 39170.5, 41841.5, 52302.5, and 89758 to, to repeal Sections 72335 and 74370 of, and to repeal Chapter 21 (commencing with Section 17600) of Part 10 of, and to repeal and add Article 5 (commencing with Section 51260), Chapter 2 of Part 28 of, the Education Code, and to amend Section 41 of Chapter 1011 of Statutes of 1976, relating to education and recodification of the laws pertaining thereto, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 7, 1977.]

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

SECTION 1. Section 8203 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

8203. It is the intent of the Legislature that in providing child development programs the Superintendent of Public Instruction will give priority to children of families who qualify under applicable federal statutes or regulations as recipients of public assistance and other low-income and disadvantaged families. Federal reimbursement shall be claimed for any child receiving services under this division for whom federal funds are available.

It is further the intent of the Legislature to maximize the Department of Education's capacity to stimulate and coordinate resources, provide technical assistance, monitor program implementation, generate maximum federal reimbursement wherever possible for the federally eligible children, and to provide alternative funding from state and local agencies for those children for whom federal reimbursement may not be available.

SEC. 2. Section 8330 of the Education Code, as amended by the 1977 Education Code Supplemental Act, is amended to read:

8330. The county superintendent of schools maintaining a child development program may include in its budget the amount necessary to carry out its program pursuant to this chapter. The county board of supervisors shall levy a county tax necessary to raise such amount in only those school districts, or community college districts for which the county superintendent of schools is providing

or maintaining a child development program pursuant to Section 8321. Such tax shall be at a rate not to exceed ten cents ($0.10) per one hundred dollars ($100) of assessed valuation and shall be in addition to any other county tax authorized by law to be collected. The revenue derived from taxes levied pursuant to this section may be used to purchase real property and fixtures, to make alterations or additions to existing buildings, and to purchase furniture, apparatus or equipment for child development facilities maintained by the taxing county superintendent of schools. As used in this section, "purchase" includes the acquisition of property under a lease-purchase agreement.

SEC. 3. Section 8367 of the Education Code, as amended by the 1977 Education Code Supplemental Act, is amended to read:

8367. Any city, county, or city and county charter provision to the contrary notwithstanding, each person employed by an agency on July 1, 1955, and each person employed by an agency on September 11, 1957, who was theretofore excluded, solely by reason of the provisions of the predecessor of Section 8366 in effect prior to July 1, 1955, or who was therefore excluded solely by reason of the provisions of the predecessor of this section prior to September 11, 1957, from membership in any retirement system in which the agency participates or to which it contributes for the purpose of providing retirement rights and benefits for employees of the agency not employed in a status requisite for membership in the State Teachers' Retirement System, shall become a member of the retirement system from which he was excluded, on July 1, 1955, or on September 11, 1957, if theretofore excluded solely by reason of the provisions of the predecessor of this section in effect prior to that date. Every such member shall be entitled to credit for service in child development programs rendered prior to July 1, 1955, or prior to September 11, 1957, if theretofore excluded, and before he became a member of the system, in the same manner as if he had not theretofore been excluded from membership in the retirement system, except that he shall not be required to make any contributions to the retirement system in respect to such service rendered prior to his membership, and all contributions necessary to provide benefits on account of such service shall be paid to the retirement system by the agency by which the member is employed. For the purpose of computing benefits for services rendered prior to July 1, 1955, as provided in this section, the average monthly salary earned by such employee in the fiscal year 1954–55 shall be used and for the purpose of computing benefits for service rendered between July 1, 1955, and September 11, 1957, for members receiving credit for service between those dates under the provisions of the predecessor of this section as amended by Chapter 1238 of the Statutes of 1957, the average monthly salary earned by such employees in the fiscal year 1956–57 shall be used.

Notwithstanding any other provisions of this section, for the purpose of computing benefits for any person retired on and after

January 1, 1958, for services rendered prior to July 1, 1955, as provided in this section, and for the purpose of computing benefits for services rendered between July 1, 1955, and September 11, 1957, for members receiving credit for service between those dates under the provisions of this section, the "final compensation" of such person shall be computed in the same manner as for other employees who are included in the same retirement system and in the same class of retirement system members and who are not affected by this section. The amendment to this section enacted at the 1963 session shall be applied to increase the allowances, payable subsequent to October 1, 1963, in respect to those members who retired on or after July 1, 1955.

Notwithstanding any other provisions of this section no increased allowance shall be paid, as authorized by this section, to any person who has retired between July 1, 1955, and October 1, 1963, unless the person to whom the increase would otherwise be payable mails written application for the increase to the appropriate retirement system prior to April 1, 1964.

SEC. 4. Section 10550 of the Education Code is amended to read:

10550. This article applies to the territory under the jurisdiction of the County Superintendent of Schools of Sacramento County.

For the purpose of this chapter, "participating local educational agency" means:

(a) The Grant Joint Union High School District.

(b) The Los Rios Community College District.

(c) The Sacramento County Superintendent of Schools.

(d) The Sacramento City Unified School District.

(e) The San Juan Unified School District.

SEC. 5. Section 16044 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

16044. No apportionment shall be made for new construction which, when added to the area of adequate school construction existing in the applicant school district at the time of application, will provide a total area of school building construction per unit of average daily attendance of the estimated average daily attendance in excess of that computed in accordance with Sections 16047, 16052, 16053, 16054 and 16055.

As used in Sections 16047, 16052, 16053, 16054 and 16055, "maximum area" means maximum area of school building construction and "attendance unit" means unit of estimated average daily attendance.

As used in this section and Sections 16053, 16054, and 16055, "attendance center" means a school maintained or to be maintained at a given location within a district. The Department of Education or board of governors as is appropriate to their jurisdiction shall approve or disapprove the allocation by an applicant district of units of estimated average daily attendance among the attendance centers of the district.

To the building area permitted to an applicant school district by

Sections 16047, 16052, 16053, 16054 and 16055, there may be added such additional building area as may be required to provide adequate facilities for exceptional children pursuant to Article 3 (commencing with Section 16190) of this chapter.

No estimate of average daily attendance made by an applicant for the purpose of justifying an apportionment shall be made for a longer time than the third fiscal year beyond the fiscal year in which an application is made, except that an estimate for the purpose of justifying an apportionment for a grade level maintained by a unified district, under an application filed prior to September 15, 1961, or by a high school district composed of grades 7 to 12, inclusive, 9 to 12, inclusive, or 7 to 10, inclusive, or of justifying an apportionment for a unified district for a junior high school or high school project under an application made on or after such effective date shall not be made for a longer time than the fourth fiscal year beyond the fiscal year in which the application is made. Except as otherwise provided by the board, the estimates of average daily attendance shall be based upon the number of family dwellings and mobilehome parks, as defined in Section 18214 of the Health and Safety Code, under construction or newly constructed and never occupied in the district and the number of children residing in the district. In no case shall an estimate be given effect unless approved by the board.

For the purposes of this chapter pupils attending grades 7 and 8 in an elementary district but residing in a high school district which maintains one or more junior high schools shall not be considered in determining or estimating the average daily attendance of the elementary district, unless the elementary district is maintaining and has continuously maintained grades 7 and 8 since a date prior to January 1, 1959, or unless the electorate of the district, during the year 1974, has authorized the return of the seventh and eighth grade pupils from the high school district and the maintaining of grades 7 and 8 in the elementary district. When pupils attending grades 7 and 8 are so considered in determining or estimating the average daily attendance of the elementary district in making apportionment to the elementary district, such pupils shall not be considered in determining or estimating average daily attendance of the high school district in making an apportionment to the high school district for junior high school purposes.

The board shall develop statewide or areawide averages of pupil occupancy for family dwellings of various sizes and for mobilehomes of various sizes for use by applicant school districts in estimating the average daily attendance of family dwellings and mobilehome parks under construction or newly constructed and never occupied in the district.

SEC. 6. Section 16084 of the Education Code is amended to read:

16084. If, on or before June 30th of any fiscal year, the governing board of any school district files a request with the State Controller for a deferment of the annual repayment due from such district during the next succeeding fiscal year for an apportionment received

by the district pursuant to this Chapter or Chapter 6 (commencing with Section 15700) of this part, and it is determined, in accordance with this section, that the district is entitled to a deferment of all or part of such annual repayment, the deferment shall be made in accordance with such determination. The request for deferment, having once been filed with the State Controller, shall remain in effect each ensuing year, and the State Controller shall continue to compute and allow the deferment in accordance with this section each year, until such time as the governing board of the school district files a written request with the State Controller to discontinue the deferment.

As used in the preceding paragraph, "any school district" means a district which is liable for the repayment of the principal amount of apportionments made to the district under the provisions of Chapter 6 (commencing with Section 15700) of this part and which has received a conditional apportionment under this chapter.

The portion of the annual repayment to be deferred under this section shall be determined as follows:

There shall be computed the amount required to be raised by taxes on property within the district, during the fiscal year in which the annual repayment is to be deducted pursuant to Sections 15735 and 16080, for the payment of principal and interest on (a) any bonded indebtedness incurred for school purposes prior to the first conditional apportionment to the school district under this chapter, (b) any bonded indebtedness which was incurred as a condition to any apportionment under this chapter, and (c) any bonded indebtedness incurred, the proceeds of which were required to be contributed for the purposes for which an apportionment was made under this chapter. To this amount shall be added the amount required during such fiscal year, for the annual repayment of school building apportionments under Chapter 6 (commencing with Section 15700) of this part and under this chapter. The total of these amounts shall constitute the "basic tax amount."

If the applicant district is a unified district, the amount to be deferred shall be separately considered for each grade level thereof. For this purpose, the basic tax amount shall only include the amounts specified in the preceding paragraph required to be raised for the repayment of principal and interest on bonded indebtedness which was incurred for, or as a condition to receiving an apportionment for, or required by the board to be contributed for the purposes of, the grade level being considered, plus those amounts required for the annual repayment of apportionments made under Chapter 6 (commencing with Section 15700) of this part for such grade level. It is hereby declared that this paragraph is not intended as a change in the present law but rather as a declaration of existing law.

There shall be computed the amount which would be produced by a tax of forty-five cents ($0.45) on each one hundred dollars ($100) of assessed valuation of the district during such year, to be known as the "45-cent tax amount." The amount of the annual repayment to

be deferred during the fiscal year in which the annual repayment is due shall be the amount, if any, by which the basic tax amount exceeds the 45-cent tax amount. The amount deferred shall be added to the annual repayment for the next succeeding fiscal year.

On or before the last day of July of each fiscal year, the State Controller shall request the Director of General Services to, and the Director of General Services shall, determine and certify to the State Controller the amount of bonded debt service included in the "basic tax amount." On or before the third Monday in August of each fiscal year, the State Controller shall request the county auditor of each county to, and the county auditor of each county shall, determine and certify to the State Controller the current assessed valuation of property within each district which has filed a request for a deferment under this section.

Before the date on which the board of supervisors makes the levy of taxes for county purposes, the State Controller shall make the deferment determination required by this section for each district requesting a deferment, and, for each district which is entitled to a deferment, shall notify, in writing, the board of supervisors of the county, the governing board of the district, the county auditor, and the county superintendent of schools having jurisdiction over the district of the amount of the repayment of the district which is to be deferred under this section.

For the purposes of this section the "annual repayment" means the amount of the annual repayment of the district due in a fiscal year as determined pursuant to Section 15733 and Section 16075, plus the then unpaid deferred amount of any annual repayment due in any previous fiscal years. Any repayments by a district of a deferred amount shall be first applied to loans granted under Chapter 6 (commencing with Section 15700) of this part.

Notwithstanding any other provision of this chapter, if, at the end of the 30-year period provided in Section 15738 or Section 16083, as the case may be, there are any deferred amounts due in any previous fiscal year remaining unpaid, repayments shall continue to be made in the manner provided by this section during each fiscal year thereafter until the amounts are paid, or for an additional period of 10 years, whichever first occurs. At the expiration of the additional 10-year period the unpaid portion of the deferred amounts shall be canceled on the books of the State Controller, and the provisions of Section 15738 or Section 16083, as the case may be, shall thereupon become applicable thereto and the board shall execute a conveyance to the district as provided in Section 15739 or 16087, whichever is applicable.

SEC. 7. Section 16320 of the Education Code is amended to read:

16320. Notwithstanding the provisions of Section 16319, apportionments under this article from the proceeds of bonds remaining from the authorization provided in the State School Building Aid Bond Law of 1966 may be made for the purpose of (1) reconstructing or replacing existing substandard school buildings or

high school dormitories that present a potential threat to the safety of schoolchildren and which were not previously constructed or reconstructed in accordance with the requirements of Article 3 (commencing with Section 39140) of Chapter 1 of Part 23 of Division 3 of Title 2 or which if previously reconstructed to comply with the provisions of said Article 3 no longer meet the standards of structural safety prescribed under the authority of Article 3 in effect on April 10, 1933, or (2) reconstructing or replacing existing structures utilized by a school district as school buildings originally designed to house the United States Cavalry and used as World War II prisoner-of-war camp structures or an existing structure utilized by a school district as a school building which was originally designed as a mess facility for the United States Army Air Corps without regard to conditional or provisional structural approvals received by the district with respect to such buildings prior to the enactment of Chapter 500 of the Statutes of 1972.

Apportionments for the reconstruction or replacement of a dormitory shall only be made when the use and occupancy of the dormitory will be by resident pupils of the district who are in attendance at the high school of the district and when in the judgment of the board such pupils cannot be reasonably expected to travel by vehicle to the school on a daily basis.

SEC. 8. Section 16323 of the Education Code is amended to read:

16323. Each school district which desires an apportionment shall submit through its governing board to the board an application therefor in such form and number of copies as the board shall prescribe. Each copy of the application shall be accompanied by a statement of the estimated cost of the project certified by an architect or structural engineer, and by layout plans showing the entire construction project for which the district desires an apportionment.

Estimates of costs for new construction or equipment appearing in an application shall conform to cost standards adopted by the board under Section 16024.

A school district shall not let any contract for new construction included in an application for a construction project which has been approved by the board if the cost exceeds the construction cost standards fixed by the board under Section 16024 for such new construction by more than 2 percent or except as otherwise provided in Section 16332. The amount, if any, by which the contract cost exceeds the construction cost standards fixed by the board shall be borne by the school district and shall not be included in the apportionment.

A school district may at any time amend or supplement its application.

Each construction project for which a district applies for an apportionment shall be applied for on a separate application and shall be considered separately by the board. If a district applies for more than one construction project, at the same time or at different

times, the priority points of the district shall be recalculated after the approval of each separate construction project and before a subsequent construction project is approved.

The board shall require such changes in the plans which an applicant school district submits with its application as the board determines is necessary or desirable to reduce the cost of the project.

SEC. 9. Chapter 21 (commencing with Section 17600) of Part 10 of the Education Code is repealed.

SEC. 10. Section 21189 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

21189. The court or judge shall fix the time for hearing the petition, and shall order the clerk of the court to post in at least three public places in the county a notice of the filing of the petition, attached to a copy of the petition, and order a copy of the notice together with a copy of the petition to be personally served upon the founder, if living, and upon the spouse or surviving spouse of any founder, and upon any living grantor or donor of any other grant or gift set out in the petition, and may order such other or further notice to be given as the judge or court may deem proper. The notice shall be posted and served at least 10 days before the hearing.

SEC. 10.5. Section 22603.3 of the Education Code is amended to read:

22603.3. The intent of this section is to ensure that all necessary employer and employee contributions are made to the system for excluded service when a member elects to receive credit for that service.

Notwithstanding any other provisions in this chapter, persons who have been excluded from membership under Section 22602, 22603, 22604, or 22605, and school nurses excluded under Section 22606, who subsequently become members shall receive credit for the service performed while so excluded provided they elect to pay, and pay, prior to retirement or payment of a disability allowance, whichever occurs first, and in a manner provided by the board, all employer and employee contributions with respect to such service at the rate in effect on the date of election and the highest compensation earnable in any one of the three years prior to election.

Such contributions shall be equal to the rate of employer and employee contributions in effect upon the date of election.

Members may elect to pay for the excluded service as provided in Section 14036 of the 1959 Education Code as that section read on December 30, 1975, until December 30, 1977.

SEC. 11. Section 35146 of the Education Code is amended to read:

35146. Notwithstanding the provisions of Section 35145 of this code and Section 54950 of the Government Code, the governing body of a school district shall, unless a request by the parent has been made pursuant to this section, hold executive sessions if the board is considering the suspension of, or disciplinary action or any other action except expulsion in connection with any pupil of the school

district, if a public hearing upon such question would lead to the giving out of information concerning school pupils which would be in violation of Article 5 (commencing with Section 49073) of Chapter 6.5 of Part 27 of this code.

Before calling such executive session of the governing board of the district to consider these matters, the governing board of the district shall, in writing, by registered or certified mail or by personal service, if the pupil is a minor, notify the pupil and his parent or guardian, or the pupil if the pupil is an adult, of the intent of the governing board of the district to call and hold such executive session. Unless the pupil, or his parent, or guardian shall, in writing, within 48 hours after receipt of such written notice of intention, request that the hearing of the governing board be held as a public meeting, then the hearing to consider such matters shall be conducted by the governing board in executive session. If such written request is served upon the clerk or secretary of the governing board, the meeting shall be public except that any discussion at such meeting that might be in conflict with the right to privacy of any pupil other than the pupil requesting the public meeting or on behalf of whom such meeting is requested, shall be in executive session. Whether the matter is considered at an executive session or at a public meeting, the final action of the governing board of the school district shall be taken at a public meeting and the result of such action shall be a public record of the school district.

SEC. 12. Section 39002.5 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

39002.5. Geological and soils engineering studies as described in Section 39002 shall be made, within the boundaries of any special studies zone, for the construction of any school building as defined in Section 39141, or if the estimated cost exceeds ten thousand dollars ($10,000), the reconstruction or alteration of or addition to any such school building for work which alters structural elements. The Department of General Services may require similar geological and soils engineering studies for the construction or alteration of any school building on a site located outside of the boundaries of any special studies zone. No such studies need be made if the site under consideration has been the subject of adequate prior studies.

No school building shall be constructed, reconstructed, or relocated on the trace of a geological fault along which surface rupture can reasonably be expected to occur within the life of the school building.

A copy of the report of each investigation conducted pursuant to this section shall be submitted to the Department of General Services pursuant to Article 3 (commencing with Section 39140) of this chapter and to the Department of Education. The cost of geological and soil engineering studies and investigations conducted pursuant to this section may be treated as a capital expenditure.

SEC. 13. Section 39016 is added to the Education Code, to read:

39016. The State Controller shall, during the next fiscal year

following that in which the executive officer of the State Allocation Board certifies to him the amount of payment, deduct the total amount of the payment of each district in equal amounts from each of the February, March, April and May installments of the apportionments made to such district from the State School Fund under Sections 46304, 46305, and 41050, Sections 41330 to 41343, inclusive, and Sections 41600 to 41972, inclusive, whichever are in effect; provided, however, that in no event shall such deductions exceed an amount which would result in a district's receiving, in any school year, from the State School Fund, less than one hundred twenty dollars ($120) per pupil in average daily attendance in the district during the preceding school year. On order of the State Controller, the amount so deducted shall be transferred to the State School Site Utilization Fund which is hereby created.

SEC. 14. Section 39017 is added to the Education Code, to read:

39017. Whenever the State Allocation Board certifies to the State Controller that a school district, within two years of the date the State Allocation Board determines that such site is unused, has either begun to use a site affected by Sections 39015 and 39016 or has sold such site, the State Controller shall cease to withhold any additional payments and shall return to the district from the State School Site Utilization Fund all of the payments, without interest, which had been withheld for the particular site. If the school district begins to use or sell such site more than two years after the aforesaid determination, the State Allocation Board shall so certify to the State Controller and no further payments shall be withheld as specified in Section 39016.

SEC. 14.5. Section 39170.5 is added to the Education Code, to read:

39170.5. In bidding on contracts to be made pursuant to Section 39246, bidders may include in their bids abstractions of their quotations indicating the pricing structure used to compute the annual lease or rental payments for the sole purpose of identifying that portion of each annual lease or rental payment which may represent tax exemption reimbursement to the vendor, lessor or to their assignees.

SEC. 15. Section 39602 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

39602. The governing board of any school district may, by resolution, establish a fund or funds for losses, including, but not limited to, school district property, any liability, and workers' compensation in the county treasury for the purpose of covering the deductible amount under deductible types of insurance policies or losses due to noninsured perils. In the fund or funds shall be placed such sums, to be provided in the budget of the school district, as will create an amount which, together with investments made from the fund or funds, will be sufficient in the judgment of the governing board to protect the school district from such losses on the deductible amount under deductible types of insurance policies or losses due to

noninsured perils. Nothing in this section shall be construed as prohibiting the governing board from providing protection against such losses partly by means of the fund or funds and partly by means of insurance written by acceptable insurers as provided in Section 39601. A school district may contract for claims adjustment and related services. The cost of such services is an appropriate charge against the appropriate fund.

The fund or funds shall be considered as separate and apart from all other funds of the school district, and the balance therein shall not be considered as being part of the working cash of the school district in compiling annual budgets.

Warrants shall not be drawn on or transfers made from the fund or funds so created; except to reimburse or indemnify the school district for losses as herein specified, and only upon resolution duly adopted by the board of education.

The cash placed in the fund or funds may be invested and reinvested by the county treasurer, with the advice and consent of the governing board of the school district, in securities which are legal investments for surplus county funds in this state. The income derived from such investments, together with interest earned on uninvested funds, shall be considered revenue of and be deposited in the fund.

SEC. 16. Section 41201 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

41201. Any state department, board, or agency which allocates funds to any school district on the basis of the assessed valuation of property within the district, or which makes any computation on this basis for school building fund repayment purposes, shall average the factor certified for the current year under Section 41200 for the local roll of the county in which the district is located with the factors so certified for the two immediately preceding years; provided, that, in the event that an assessment ratio announced by a county assessor for the 1970–71 tax year is less than 25 percent, the factor for such county for such year shall be multiplied by a fraction in which the announced ratio is the numerator and 25 percent in the denominator before averaging the factor of that county for 1970–71 with the 1971–72 and 1972–73 factors. The department, board, or agency shall then modify that part of the valuation of the district shown on the local roll by application of this three-year-average factor carried to three decimal places. If a district is located in more than one county, this modification shall be made by applying the average factor appropriate for the assessed value of the property upon the local roll of each county within which the district is located. If the factor for the current year is not provided to the county superintendent of schools by the fifth working day in August, the preliminary factor may be used in its place for determining the average factor to be used to modify the locally assessed valuation of a school district for allocating equalization aid, and for computing loan repayments to the state.

SEC. 17. Section 41841.5 is added to the Education Code, to read:

41841.5. The Superintendent of Public Instruction shall allow to each school district maintaining secondary schools an amount equal to the actual current expense of the district of maintaining adult education classes for prisoners in any county jail, or any county industrial farm or county or joint county road camp for the current fiscal year. The amount so allowed to a district for each unit of average daily attendance in such classes shall in no event exceed the total of the amounts allowed to the district as basic state aid and state equalization aid for each unit of average daily attendance of the district exclusive of the average daily attendance of the district in classes for adults.

For purposes of this section, the Superintendent of Public Instruction shall, by rules and regulations, establish minimum standards for the conduct of the adult education classes, including, but not necessarily limited to, attendance requirements and requirements concerning records to be kept and reports to be submitted.

SEC. 18. Section 41856 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

41856. (a) He shall allow to each elementary school district, and high school district, except as to any to which subdivisions (b) and (c) of this section or Section 41859 is applicable, which during the preceding fiscal year provided for the transportation of pupils, an amount which shall be computed as follows:

He shall determine the total current expenses of the district for such transportation during the preceding fiscal year. He shall then determine what rate of tax levied on each one hundred dollars ($100) of the assessed valuation of the district as shown by the equalized assessment roll of the district for the preceding fiscal year pursuant to Section 41760.5, hereinafter referred to in this section as computed tax rate, would, if levied, produce such amount. If the computed rate of tax is more than two cents ($0.02) he shall allow to the district (1) 50 percent of the amount which would be produced by not more than eight cents ($0.08) of the computed tax rate less two cents ($0.02), (2) 75 percent of the amount which would be produced by not more than sixteen cents ($0.16) of computed tax less eight cents ($0.08), (3) 80 percent of the amount which would be produced by not more than twenty-four cents ($0.24) of the computed tax less sixteen cents ($0.16), and (4) 90 percent of the amount which would be produced by the computed tax less twenty-four cents ($0.24).

(b) He shall allow to each elementary school district which is not a part of a high school district and which during the preceding fiscal year provided for the transportation of pupils to the elementary schools of the district and to one or more high schools in other districts an amount which shall be computed as follows:

He shall determine the total current expenses of the districts for such transportation during the preceding fiscal year. He shall then determine what rate of tax levied on each one hundred dollars ($100)

of the assessed valuation of the district as shown by the equalized assessment role of the district for the preceding fiscal year pursuant to Section 41760.5, hereinafter referred to in this section as computed tax rate, would, if levied, produce such amount. If the computed rate of tax is more than four cents ($0.04) he shall allow to the district (1) 50 percent of the amount which would be produced by not more than sixteen cents ($0.16) of the computed tax rate less four cents ($0.04), (2) 75 percent of the amount which would be produced by not more than thirty-two cents ($0.32) of the computed tax rate less sixteen cents ($0.16), (3) 80 percent of the amount which would be produced by not more than forty-eight cents ($0.48) of the computed tax rate less thirty-two cents ($0.32), and (4) 90 percent of the amount which would be produced by the computed tax rate less forty-eight cents ($0.48).

If an elementary district which is not a part of a high school district provides only for the transportation of pupils to a high school, an amount shall be computed as provided in subdivision (a) of this section.

(c) He shall allow to each high school district not a part of any community college district which during the preceding fiscal year provided for the transportation of pupils to the high schools of the district and pupils attending community colleges maintained by other districts an amount which shall be computed as follows:

He shall determine the total current expenses of the districts for such transportation during the preceding fiscal year. He shall then determine what rate of tax levied on each one hundred dollars ($100) of the assessed valuation of the district as shown by the equalized assessment roll of the district for the preceding fiscal year pursuant to Section 41760.5, hereinafter referred to in this section as computed tax rate, would, if levied, produce such amount. If the computed rate of tax is more than four cents ($0.04) he shall allow to the district (1) 50 percent of the amount which would be produced by not more than sixteen cents ($0.16) of the computed tax rate less four cents ($0.04), (2) 75 percent of the amount which would be produced by not more than thirty-two cents ($0.32) of the computed tax rate less sixteen cents ($0.16), (3) 80 percent of the amount which would be produced by not more than forty-eight cents ($0.48) of the computed tax rate less thirty-two cents ($0.32), and (4) 90 percent of the amount which would be produced by the computed tax rate less forty-eight cents ($0.48).

If a high school district which is not a part of a community college district provides only for the transportation of pupils to a community college, an amount shall be computed as provided in subdivision (a) of this section.

SEC. 19. Section 45259 of the Education Code is amended to read:

45259. If the governing board of any school district establishes positions and restricts initial appointment of new employees to persons having mental handicaps, then such positions shall, in

addition to the regular class title, be classified as "restricted." The positions shall be part of the classified service and persons so employed shall be classified employees for all purposes except that they shall not acquire permanent status or seniority credit and shall not be eligible for promotion into the regular classified service until they have complied with the provisions of subdivision (c) of Section 45105.

SEC. 20. The second Section 48607 of the Education Code enacted by Chapter 1010 of the Statutes of 1976 is amended and renumbered to read:

48609. The principal of any school in the county or district, as the case may be, in which there has been established a 24-hour school shall report to the county superintendent or superintendent of schools of the district, as the case may be, after conference held with the parent or guardian, any pupil in his school who he believes comes within the provisions and intent of this article. This report shall be in writing and shall set forth the facts upon which he believes that the child comes within the provisions of this article.

SEC. 21. Section 49063 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

49063. School districts shall notify parents in writing of their rights under this chapter upon the date of the pupil's initial enrollment, and thereafter at the same time as notice is issued pursuant to Section 48980. The notice shall be, insofar as is practicable, in the home language of the pupil. The notice shall take a form which reasonably notifies parents of the availability of the following specific information:

(a) The types of pupil records and information contained therein which are directly related to students and maintained by the institution.

(b) The position of the official responsible for the maintenance of each type of record.

(c) The location of the log or record required to be maintained pursuant to Section 49064.

(d) The criteria to be used by the district in defining "school officials and employees" and in determining "legitimate educational interest" as used in Section 49064 and paragraph (1) of subdivision (a) of Section 49076.

(e) The policies of the institution for reviewing and expunging those records.

(f) The right of the parent to access to pupil records.

(g) The procedures for challenging the content of pupil records.

(h) The cost if any which will be charged to the parent for reproducing copies of records.

(i) The categories of information which the institution has designated as directory information pursuant to Section 49073.

(j) Any other rights and requirements set forth in this chapter, and the right of the parent to file a complaint with the United States Department of Health, Education, and Welfare concerning an

alleged failure by the district to comply with the provisions of Section 438 of the General Education Provisions Act (20 U.S.C.A. Sec. 1232g).

SEC. 22. Article 5 (commencing with Section 51260) Chapter 2 of Part 28 of the Education Code is repealed.

SEC. 23. Article 5 (commencing with Section 51260) is added to Chapter 2 of Part 28 of the Education Code, to read:

Article 5. Drug Education

51260. Instruction shall be given in the elementary and secondary schools on drug education and the effects of the use of tobacco, alcohol, narcotics, dangerous drugs, as defined in Section 11032 of the Health and Safety Code, and other dangerous substances.

In grades 1 through 6, instruction on drug education should be conducted in conjunction with courses given on health pursuant to subdivision (f) of Section 51210.

In grades 7 to 12, instruction on drug education shall be conducted in conjunction with courses given on health or in any appropriate area of study pursuant to Section 51220.

Such instruction shall be sequential in nature and suited to meet the needs of students at their respective grade level.

51261. Notwithstanding the provisions of Sections 44227 and 44228, the State Board of Education shall not accredit any teacher education institution for teacher certification purposes after the 1972–73 fiscal year unless it offers courses for prospective teachers on drug education and the effects of the use of tobacco, alcohol, narcotics, restricted dangerous drugs, as defined in Section 11032 of the Health and Safety Code, and other dangerous substances. The State Board of Education shall continually reevaluate approved teacher training institutions to insure that programs are in conformance with the intent of this section.

SEC. 24. Section 52302 of the Education Code is amended to read:

52302. The school district or districts, or county superintendent or superintendents, sponsoring the regional occupational center or program shall conduct a job market survey in those areas in which they propose to establish a regional occupational center or program. The survey shall be conducted in cooperation with the local office of the Employment Development Department, prospective employers, the district's advisory committee on vocational education, and the appropriate advisory committee for each of the proposed training programs. The survey shall include an analysis of existing vocational and occupational training programs maintained by high schools, community colleges, and private postsecondary schools in the area to insure that the anticipated employment demand for trainees in the proposed regional centers and programs justifies the establishment of the proposed courses of instruction.

SEC. 25. Section 52302.5 is added to the Education Code, to read:

52302.5. A regional occupational center or regional occupational program shall:

(a) Provide individual counseling and guidance in vocational matters.

(b) Provide a curriculum which includes skill training in occupational fields having current and future needs for such training.

(c) Provide an opportunity for students to acquire entry level vocational skills which may lead to a combination work-study schedule.

(d) Provide for the upgrading of the vocational skills of students and for retraining where necessary.

(e) Maintain a pupil-teacher ratio which will enable students to achieve optimum benefits from the instructional program.

SEC. 26. Section 52327.5 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

52327.5. Each governing board establishing or maintaining a regional occupational center or program pursuant to Section 52310.5 shall meet the requirements set forth in Sections 35145, 41010, 41011, 41015, 41020, 42103, 51040, 51041, 51050, and 51056.

SEC. 27. Section 52343 of the Education Code is amended to read:

52343. In the implementation of this chapter, the Department of Education shall, on a regular basis, advise and consult with representatives of the Employment Development Department, the office of the Chancellor of the California Community Colleges, the California Postsecondary Education Commission, the University of California, the Chancellor of the California State University and Colleges, the Commission for Teacher Preparation and Licensing, the Department of Industrial Relations, the Department of Consumer Affairs, the California Advisory Council on Vocational Education and Technical Training, and the State Personnel Board.

SEC. 28. Section 54483 of the Education Code is amended to read:

54483. The Director of Compensatory Education, acting pursuant to rules and regulations adopted by the State Board of Education, upon the advice of the Directors of the Departments of Finance, Social Welfare, Employment Development, and Industrial Relations, shall designate the most concentrated areas of poverty and social tension in the state, taking into consideration such factors, among others, as the high incidence of poverty and low family and per capita incomes, unemployment, juvenile delinquency, persons receiving assistance under the program of aid to families with dependent children, and especially the low level of academic achievement by pupils in the public schools.

The Director of Compensatory Education shall allocate the funds available for programs under Section 54480 proportionately by public school population among the areas designated by him. He shall then approve projects proposed to be undertaken by school districts within such areas at particular schools with the highest

concentrations of low-income children and with the lowest records of academic achievement. Funds not fully utilized in one designated area may be reallocated to the other designated areas. Upon the request of a school district, the Director of Compensatory Education may authorize funds to be used outside the designated areas to serve children from the designated areas.

SEC. 29. Section 68130 of the Education Code is amended to read:

68130. The governing boards and district governing boards may waive nonresident tuition in whole or in part pursuant to Sections 68123, 76140, 89705, and 89707.

SEC. 30. Section 69532 of the Education Code, as amended by the 1977 Education Code Supplemental Act, is amended to read:

69532. There shall be 23,062 new Cal Grant awards for first-time recipients for the 1977–1978 fiscal year and each year thereafter, except that new scholarships in subdivision (a) in excess of 4.25 percent of the number of high school graduates of the previous fiscal year, in subdivision (b) in excess of 5,375, and in subdivision (c) in excess of 1,062 shall not be awarded unless there are federal student financial aids funds available to the State Scholarship and Loan Commission in an amount necessary to fund such awards or unless the Legislature acts in the future to fund such awards. First priority for federal state student incentive grant funds shall be for students originally funded from state student incentive grant funds who are eligible for renewal. Such grants shall be allocated as follows:

(a) 14,900 awards for the 1977–1978 fiscal year, and each fiscal year thereafter, to be utilized for tuition and student fees pursuant to Section 69536.

(b) 6,825 awards for the 1977–1978 fiscal year and each fiscal year thereafter, to be utilized for tuition, student fees, and subsistence costs pursuant to Section 69538.

(c) 1,337 awards for the 1977–1978 fiscal year and each fiscal year thereafter, to be utilized for occupational or technical training pursuant to Sections 69539 through 69543.

SEC. 31. Section 69642 of the Education Code is amended to read:

69642. Definitions:

(a) "Board" means the Board of Governors of the California Community Colleges.

(b) "District" means any community college district in California that maintains one or more community colleges.

(c) "College" means a community college established by the governing board of a community college district authorized to provide community college instruction.

(d) "Extended opportunity program" means a special program or method of instruction designed to facilitate the language, educational or social development of a student and increase his potential for success in the college.

(e) "Extended opportunity services" means a program of

assistance designed to aid students with socioeconomic handicaps to permit them to enroll in and participate in the educational activities of the college.

SEC. 32. Section 72122 of the Education Code is amended to read:

72122. Notwithstanding the provisions of Section 72121 of this code and Section 54950 of the Government Code, the governing body of a community college district shall, unless a request by the parent has been made pursuant to this section, hold executive sessions if the board is considering the suspension of, or disciplinary action or any other action except expulsion in connection with any student of the community college district, if a public hearing upon such question would lead to the giving out of information concerning students which would be in violation of Article 5 (commencing with Section 76240) of Chapter 1.5 of Part 47 of this code.

Before calling such executive session of the governing board of the district to consider these matters, the governing board of the district shall, in writing, by registered or certified mail or by personal service, if the student is a minor, notify the student and his parent or guardian, or the student if the student is an adult, of the intent of the governing board of the district to call and hold such executive session. Unless the student, or his parent, or guardian shall, in writing, within 48 hours after receipt of such written notice of intention, request that the hearing of the governing board be held as a public meeting, then the hearing to consider such matters shall be conducted by the governing board in executive session. If such written request is served upon the clerk or secretary of the governing board, the meeting shall be public except that any discussion at such meeting that might be in conflict with the right to privacy of any student other than the student requesting the public meeting or on behalf of whom such meeting is requested, shall be in executive session. Whether the matter is considered at an executive session or at a public meeting, the final action of the governing board of the school district shall be taken at a public meeting and the result of such action shall be a public record of the school district.

SEC. 33. Section 72332 of the Education Code is amended to read:

72332. The governing board of a community college district which establishes a police department may provide and maintain motor vehicles for the use of the police. Any vehicle, when operated in the performance of his duties by any member of the police department, is an authorized emergency vehicle and may be equipped and operated as such as provided by the Vehicle Code.

SEC. 34. Section 72335 of the Education Code is repealed.

SEC. 35. Section 72340 of the Education Code is amended to read:

72340. The governing board of a community college district, except a district having a city board of education, may, and upon a petition signed by a majority of the electors resident in the district

shall, call meetings of the qualified electors of the district for consultation in regard to any affairs in the district. A meeting so called shall be competent to instruct the governing board, and the board shall, in all cases, be bound by such instructions upon the following subjects:

(a) The location or change of location of the schoolhouse, if the proposal to instruct the board in regard to changing the location of the schoolhouse is passed by a vote of two-thirds of all the electors voting at the meeting upon the proposition.

(b) The use of the community college for other than school purposes, but in no case shall the community college be used for purposes which necessitate the removal of any school desks or other school furniture.

(c) The sale and purchase of school sites.

(d) The prosecution, settlement, or compromise of any litigation in which the district is engaged, or is likely to become engaged.

The meeting may vote money not exceeding one hundred dollars ($100) in any one year, for any of these purposes in addition to any amount which may be raised by the sale of district school property, and the insurance of property destroyed by fire, except that the proceeds of the insurance of the library and apparatus shall be paid into the library fund. All funds raised by the sale of school property may be disposed of by direction of a district meeting.

SEC. 36. Section 72425 of the Education Code is amended to read:

72425. (a) In any community college district in which the average daily attendance exceeds 60,000, and which is not located in a city and county, or in any community college district in which the average daily attendance exceeded 60,000 in the 1963–64 school year and was less than 60,000 in the 1972–73 school year or any subsequent school year, and which is not located in a city and county, the governing board may prescribe, as compensation for the services of each member of the board, the sum of seventy-five dollars ($75) for each meeting of the board actually attended, not to exceed seven hundred fifty dollars ($750) in any month. In any community college district in which the average daily attendance for the school year 1972–1973 was less than 60,000, except a district which also comes within the terms of the preceding sentence, but more than 25,000, each member of the governing board of the district may receive as compensation for his services not to exceed forty dollars ($40) for each meeting of the board actually attended, not to exceed three hundred dollars ($300) in any month. In any community college district in which the average daily attendance for the school year 1972–1973 was 25,000 or less but more than 10,000, each member of the governing board of the district may receive as compensation for his services not to exceed thirty dollars ($30) for each meeting of the board actually attended, but not to exceed two hundred dollars ($200) in any month. In any community college district in which the average daily attendance for the school year 1972–1973 was 10,000 or

less but more than 1,000, each member of the governing board of the district may receive as compensation for his services not to exceed twenty dollars ($20) for each meeting of the board actually attended, not to exceed one hundred twenty dollars ($120) in any month. In any community college district in which the average daily attendance for the 1972–1973 school year was 1,000 or less but more than 150, each member of the governing board of the district may receive as compensation for his services not to exceed ten dollars ($10) for each meeting of the board actually attended, but not to exceed sixty dollars ($60) in any month.

(b) The compensation of members of the governing board of a community college district newly organized or reorganized after June 30, 1973, shall be governed by subdivision (a). For such purposes the total average daily attendance in all of the community colleges of the district in the school year in which the organization or reorganization became effective pursuant to Section 4062 shall be deemed to be the average daily attendance in the district for the school year 1972–73.

(c) A member may be paid for any meeting when absent if the board by resolution duly adopted and spread upon its minutes finds that at the time of the meeting he is performing services outside the meeting for the community college district. The compensation shall be a charge against the funds of the district.

SEC. 38. Section 74370 of the Education Code is repealed.

SEC. 39. Section 76001 of the Education Code is amended to read:

76001. The president of any community college may admit to the community college as a special part-time student any 11th- or 12th-grade high school student whose admission is recommended by his high school principal. A principal of a high school may recommend a high school student as a special part-time student pursuant to rules and regulations which may be adopted by the governing board of the district maintaining the high school. A principal of a high school shall not recommend a number of high school students in excess of 15 percent of the total number of 11th- and 12th-grade students enrolled in the high school at the time of recommendation.

The attendance of a student at community college as a special part-time student pursuant to this section is authorized attendance and the student shall receive credit for community college courses which he completes in the same manner as if he were a regularly enrolled community college student unless, upon agreement between the two districts, the student receives high school credit for the course completed.

Each special part-time student shall attend high school classes for at least the minimum schoolday.

SEC. 40. Section 76002 of the Education Code is amended to read:

76002. The president of any community college may admit to the

summer session of the community college as a special student any high school student who has completed the 11th grade and whose admission to summer session is recommended by the principal of the high school in which the student completed the 11th grade. A principal of a high school may recommend such a student as a special student pursuant to rules and regulations which may be adopted by the governing board of the district maintaining the high school. A principal of a high school shall not recommend a number of students who have completed the 11th grade in excess of 5 percent of the total number of students in the high school who have completed the 11th grade immediately prior to the time of recommendation.

The attendance of a student at community college as a special summer session student pursuant to this section shall be credited to the district maintaining the community college for the purposes of allowances and apportionments from the State School Fund, and the student shall receive credit for community college courses which he completes, in the same manner as if he were a regularly enrolled community college student.

Sections 76001 and 48800 to 48802, inclusive, do not apply to the special students authorized to be admitted to a community college summer session pursuant to this section.

SEC. 41. Section 76004 of the Education Code is amended to read:

76004. Any person, otherwise eligible for admission to any class or community college of a community college district of this state, whose parents are or are not citizens of the United States, whose actual and legal residence is in a foreign country adjacent to this state, and who regularly returns within a 24-hour period to said foreign country may be admitted to the class or community college of the district by the governing board of the district.

SEC. 42. The heading of Article 6 (commencing with Section 76110) of Chapter 1 of Part 47 of the Education Code is amended to read:

Article 6. Meals and Lodging for Students

SEC. 43. Section 76140 of the Education Code, as amended by the 1977 Education Code Supplemental Act, is amended to read:

76140. A community college district may admit and shall charge a tuition fee to nonresident students. The district may exempt from all or parts of the fee:

(a) All nonresidents who enroll for six units or less. Exemptions made pursuant to this subdivision shall not be made on an individual basis; or

(b) Any nonresident who is both a citizen and resident of a foreign country, provided that the nonresident has demonstrated a financial need for the exemption and not more than 10 percent of the nonresident foreign students attending any community college district may be so exempted. Exemptions made pursuant to this

subdivision may be made on an individual basis. In the same manner as other nonresident students, community college districts shall be precluded from computing average daily attendance of nonresident foreign students.

A district may, with the approval of the Board of Governors of the California Community Colleges contract with a state, a county contiguous to California, the federal government, a foreign country, or an agency thereof, for payment of all or a part of a nonresident student's tuition fee.

The nonresident tuition fee shall be paid in equal installments at the beginning of each term as determined by the governing board of the district and shall be set by the governing board of each community college district not later than January 1st of each year. The fee shall represent the amount per student enrolled in the district, which is expended by the district for the current costs of education as defined by the California Accounting Manual for students enrolled in a community college.

The district governing board shall establish the nonresident tuition on the basis of one of the following computations: (a) the amount per student enrolled, derived by dividing the current costs expended from funds from all sources during the preceding year by the average daily attendance during the same year in a community college, or (b) the statewide average current expenditure per unit of average daily attendance in a community college during the preceding fiscal year. The same fee shall be charged irrespective of the type of class in which the student is enrolled. Any loss in revenue generated by the nonresident tuition fee shall not be offset by additional state funding due to the loss of revenues derived therefrom.

The governing board of each community college district shall also adopt a per-unit tuition fee for nonresidents on less than a full-time basis by dividing the fee for full-time nonresidents by 30 (units) for colleges operating on the semester system, and 45 (units) for colleges operating on the quarter system. The same per-unit rate shall be charged all nonresident students attending any terms or sessions maintained by the community college outside of the instructional year. The rate charged shall be the rate established for the fiscal year in which the term or session ends.

A district shall report annually to the Board of Governors of the California Community Colleges the number of nonresidents enrolled for six units or less, the number of nonresidents enrolled for more than six units, and the total amount of fees collected from each category.

The provisions of this section which require a mandatory fee for nonresidents shall not apply to any district which borders on another state and has fewer than 500 average daily attendance, except that the provisions of this section which require annual reports to be filed with the Board of Governors of the California Community Colleges on the number of such students enrolled shall apply to such districts in the same manner as to any other district.

SEC. 44. Section 76403 of the Education Code is amended to read:

76403. (a) Anything to the contrary notwithstanding, the governing board of any community college district shall cooperate with the local health officer in measures necessary for the prevention and control of communicable diseases in students. For that purpose the board may use any funds, property, and personnel of the district, and may permit any person licensed as a physician and surgeon, or any person licensed as a registered nurse acting under the direction of a supervising physician and surgeon as provided in subdivisions (b) and (c), to administer an immunizing agent to any student. Parents or guardians of minor students shall have consented in writing to the administration of such immunizing agent.

(b) A registered nurse, acting under the direction of a supervising physician and surgeon, may perform immunization techniques within the course of a school immunization program provided that the administration of an immunizing agent is upon the standing orders of a supervising physician and surgeon and in accordance with such written regulations as the State Department of Health may adopt pursuant to Section 303.5 of the Health and Safety Code.

"Supervising physician and surgeon," as used herein, means the physician and surgeon of the local health department or the physician and surgeon of the district that is directing the school immunization program.

(c) While nothing in this section shall be construed to require the physical presence of the supervising physician and surgeon, the supervising physician and surgeon under whose direction the registered nurse is acting shall require such nurse to:

(1) Satisfactorily demonstrate competence in the administration of immunizing agents, including knowledge of all indications and contraindications for the administration of such agents, and in the recognition and treatment of any emergency reactions to such agents which constitute a danger to the health or life of the person receiving the immunizations; and

(2) Possess such medications and equipment as required, in the medical judgment of the supervising physician and surgeon, to treat any emergency conditions and reactions caused by the immunizing agents and which constitute a danger to the health or life of the person receiving the immunization, and to demonstrate the ability to administer such medications and to utilize such equipment as necessary.

SEC. 45. Section 76425 of the Education Code is amended to read:

76425. Notwithstanding the provisions of Section 76424, a licensed physician need not hold a credential if his sole service for a community college district is service as a member of a committee whose function is to consider written and oral information and reports concerning the student that are available to the committee and, upon the basis of such information and reports, to recommend

the admission of the student to, or his discharge from, special schools and classes for exceptional students.

SEC. 46. Section 78452 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

78452. No community college district shall report for attendance or average daily attendance to the board of governors for apportionment any classes: (1) if the district receives full compensation for direct education costs for such class from any public or private agency, individual or group of individuals, or (2) if such classes are not located in facilities clearly identified in such a manner, and established by appropriate procedures, to insure that attendance in such classes is open to the general public, except those authorized pursuant to Section 78440 and those in state hospitals.

The Board of Governors of the California Community Colleges may adopt such regulations as may be necessary to enforce this section.

SEC. 46.3. Section 78601 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

78601. (a) The education of educationally handicapped students who are diagnosed as being autistic shall be provided all eligible students between 6 and 21 years of age, and may be provided eligible students between the ages of 3 and 6 years, in the manner set forth in this chapter.

(b) The governing board of any community college district which has an average daily attendance of 8,000 or more shall provide for the education, in special education classes or programs, of autistic students residing in the community college district who are not in attendance upon other special education classes or programs.

(c) The board of governors shall adopt rules and regulations which shall prescribe standards for special education programs for autistic students. Such rules and regulations shall ensure that no county has more than four autistic students enrolled in special education classes or programs for autistic students per 10,000 average daily attendance. The board of governors may waive the number of autistic students allowed to be served within each county if he determines that such waiver is necessary to meet the exceptional needs of autistic students.

SEC. 46.8. Section 81165 of the Education Code, as proposed by 1977 Education Code Supplemental Act, is amended to read:

81165. "School building" as used in this article excludes any building which is used exclusively for warehouse, storage, garage, or districtwide administrative office purposes, into which pupils are not required to enter, and off-campus buildings utilized by adult schools or community colleges for voluntary adult education courses or registered apprentice courses.

If any building so excluded was not constructed in accordance with Article 7 (commencing with Section 81130) of this chapter and was not repaired, reconstructed, or replaced in accordance with this article, there shall be posted in a conspicuous place on such building

a public notice stating that such building does not meet the structural standards imposed by law for earthquake safety.

SEC. 47. Section 81602 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

81602. The governing board of a community college district may, by resolution, establish a fund or funds for losses, including but not limited to, district property, any liability, and workers' compensation, in the county treasury for the purpose of covering the deductible amount under deductible types of insurance policies or losses due to noninsured perils. In the fund or funds shall be placed such sums, to be provided in the budget of the district, as will create an amount which, together with investments made from the fund or funds, will be sufficient in the judgment of the governing board to protect the district from such losses on the deductible amount under deductible types of insurance policies or losses due to noninsured perils. Nothing in this section shall be construed as prohibiting the governing board from providing protection against such losses partly by means of the fund or funds and partly by means of insurance written by acceptable insurers as provided in Section 81601. A district may contract for claims adjustment and related services. The cost of such services is an appropriate charge against the appropriate fund.

The fund or funds shall be considered as separate and apart from all other funds of the district, and the balance therein shall not be considered as being part of the working cash of the district in compiling annual budgets.

Warrants shall not be drawn on or transfers made from the fund or funds so created, except to reimburse or indemnify the community college district for losses as herein specified, and only upon resolution duly adopted by the board of education.

The cash placed in the fund or funds may be invested and reinvested by the county treasurer, with the advice and consent of the governing board of the district, in securities which are legal investments for surplus county funds in this state. The income derived from such investments, together with interest earned on uninvested funds, shall be considered revenue of and be deposited in the fund.

SEC. 48. Section 84500 of the Education Code is amended to read:

84500. (a) In computing the average daily attendance of a community college district, there shall be included only the attendance of students while engaged in educational activities required of such students and under the immediate supervision and control of an employee of the district who possessed a valid certification document, registered as required by law, authorizing him to render service in the capacity and during the period in which he served. For purposes of computing the average daily attendance of a community college district, attendance shall also include student attendance and participation in approved coordinated instruction systems programs of instruction using television, computer-assisted

instruction, automated audiovisual systems, programmed learning materials, and other similar teaching techniques, under the coordination and evaluation of an employee who possessed an appropriate certification document, but not requiring the immediate supervision of such employee. Approved coordinated instruction systems programs of instruction are those recommended by the governing board of the district maintaining the community college and approved by the Board of Governors of the California Community Colleges. One student contact hour is to be counted for each unit of coordinated instruction systems credit in which a student is enrolled during any census period. The state aid apportionment made by the board of governors shall not be greater than one-half the current costs of conducting approved coordinated instruction systems programs of instruction. Coordinated instruction systems programs of instruction shall be conducted by employees of the district who possess valid credentials or certification documents, who shall determine the need for immediate supervision of the programs of instruction. Such employees shall evaluate individual student progress and assign appropriate grades for students enrolled in classes taught by the coordinated instruction systems programs of instruction.

(b) For the purpose of work experience education programs in the secondary schools meeting the standards of the California State Plan for Vocational Education, "immediate supervision" of off-campus work training stations means pupil participation in on-the-job training as outlined under a training agreement, coordinated by the school district under a state-approved plan, wherein the employer and certificated school personnel share the responsibility for on-the-job supervision. The pupil-teacher ratio in any such work experience program shall not exceed 125 students per full-time equivalent certificated coordinator. A pupil enrolled in such work experience program shall not be credited with more than one day of attendance in any calendar day, and shall be a full-time student enrolled in regular classes meeting the requirements set forth in Section 76313.

(c) For purposes of computing the average daily attendance of a community college district, attendance shall also include student attendance and participation in in-service training courses in the areas of police, fire, corrections, and other criminal justice system occupations that conform to all apportionment attendance and course of study requirements otherwise imposed by law; provided that such courses are fully open to the enrollment and participation of the public pursuant to subdivision (2) of Section 78450; and provided further, that prerequisites for such courses shall not be established or construed so as to prevent academically qualified persons not employed by agencies in the criminal justice system from enrolling in and attending such courses.

(d) In the event that certain in-service training courses are restricted to employees of police, fire, corrections, and other

criminal justice agencies, attendance for such restricted courses shall not be reported for purposes either of state apportionments or district revenue limits computed pursuant to Sections 85132 and 85140. Notwithstanding the provisions of Section 78450, a community college district which restricts enrollment in such in-service training courses may contract with any public agency to provide compensation for the cost of conducting such courses.

(e) Positive records of student admissions and daily attendance in all in-service training courses in the areas of police, fire, corrections, and other criminal justice system occupations, as described in subdivision (c), shall be maintained by each district and shall be separately reported annually to the chancellor's office of the California Community Colleges.

SEC. 49. Section 84520 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

84520. The units of average daily attendance for apportionment purposes of regularly enrolled students of a community college district during the academic year, as defined in Section 78008, and subject to the provisions of Section 78452 shall be computed by multiplying the weekly student contact hours of enrollment as recorded for the census day or days each semester or quarter by statewide factors heretofore established by the board of governors, subject to review by the Department of Finance. The census day shall be Monday of each of two census weeks of five or six consecutive days of regularly scheduled classes each term or session as approved by the board of governors.

Attendance of such students enrolled in classes conducted in summer sessions, as distinct from summer quarters, of four weeks or more shall be counted in the computation of average daily attendance for apportionment purposes under the provisions of this section using the following formula: Multiply the sum of the weekly student contact hours of enrollment in each class during the census week of each class of the summer session by the number of scheduled weeks for each class, multiply the product so derived by the statewide factors established by the board of governors, subject to review by the Department of Finance, and divide by 525. The census day shall be Monday of the second week. For classes of less than four weeks, the units of average daily attendance shall be computed by dividing the total actual class hours of attendance by 525.

SEC. 50. Section 85233 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

85233. The governing board of each community college district shall be responsible for filing or causing to be filed with the county superintendent of schools the verified signature of each person, including members of the governing board, authorized to sign orders in its name. Except for districts determined to be fiscally accountable pursuant to Section 85266, no order on the funds of any district shall be approved by the county superintendent of schools unless the signatures are on file in his office and he is satisfied that the

signatures on the order are those of persons authorized to sign the order.

SEC. 51. Section 85235 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

85235. Each order drawn against the funds of a community college district shall be transmitted to the county superintendent of schools, and, if approved and signed by him shall become a requisition on the county auditor. The county superintendent may prescribe alternative procedures for districts determined to be fiscally accountable pursuant to Section 85266.

SEC. 52. Section 85237.5 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

85237.5. At any time during a fiscal year, the county superintendent may audit the expenditures and internal controls of community college districts he determines to be fiscally accountable. The county superintendent shall report his findings and recommendation to the governing board of the district. The governing board shall, no later than 15 days after receipt of such report, notify the county superintendent of schools of its proposed actions on his recommendation. Upon review of the governing board report, the county superintendent, at his discretion, may revoke the authority for the district to be fiscally accountable pursuant to Section 85266.

SEC. 53. Section 85243 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

85243. The superintendent of schools of each county shall keep, open to the inspection of the public, a register of warrants, showing the fund upon which the requisitions have been drawn, the number, in whose favor, and for what purpose they were drawn.

The county superintendent shall prescribe rules for community college districts he determines to be fiscally accountable, pursuant to Section 85266, that retain copies of warrants and supporting documents within the district files.

SEC. 54. Section 87009 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

87009. A plea or verdict of guilty or a finding of guilt by a court in a trial without a jury is deemed to be a conviction within the meaning of Sections 87335, 87346, 87405, and 88022 of this code, irrespective of a subsequent order under the provisions of Section 1203.4 of the Penal Code allowing the withdrawal of the plea of guilty and entering a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusations or information. The record of such conviction of a sex offense as defined in Section 87010 or of a narcotics offense defined in Section 87011 shall be sufficient proof of conviction of a crime involving moral turpitude for the purposes of Sections 87453, 87467, 87484, and 87732 to 87939, inclusive, relating to the dismissal of permanent employees.

SEC. 55. Section 87660 of the Education Code is amended to read:

87660. The provisions of this article govern the evaluation of, the dismissal of, and the imposition of penalties on, certificated personnel employed by a community college district. Other provisions of this code which govern the evaluation of, dismissal of, and the imposition of penalties on, certificated personnel employed by a community college district shall be applied to persons employed by a community college district in a manner consistent with the provisions of this article.

SEC. 56. Section 89546 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

89546. (a) Every employee of a state university or college shall have the right to access to all reports, documents, correspondence, and other material which pertain to the employee which are kept by the university or college. Each employee shall also have the right to have another person of the employee's choosing accompany the employee to inspect the employee's records.

(b) Upon written request, the employee shall, within 10 calendar days of the request, be provided an exact copy of all or any portion the employee desires of any of the items specified in subdivision (a). The employee shall bear the cost of duplicating such items.

(c) If, after examination of the records pertaining to the employee, an employee believes that any portion of the material is not accurate, relevant, timely, or complete, the employee may request in writing correction of the record or deletion of the offending portion, or both. Such request shall include a written statement by the employee as to the corrections and deletions that the employee believes need to be made and the reasons therefor. This statement shall become part of the employee's personnel file.

(d) Within 21 calendar days of the request for correction of the record or deletion of the portion of the record objected to, or both, the president of the state university or college shall either accede to the employee's request or notify the employee in writing of the president's refusal to grant the request. If the president refuses to grant the request, the president shall state the reasons for the refusal in writing, and the written statement shall become part of the employee's personnel file.

(e) The remedies authorized by this section shall be in addition to any other remedy provided by law.

(f) Personnel recommendations or decisions relating to the promotion, retention, termination, or any other personnel action shall be based primarily on material contained in the employee's personnel file and open to the employee's inspection. If a personnel recommendation or decision is based on any reasons not contained in the employee's personnel file, the party making the recommendation or decision shall commit those reasons to writing, and the written statement of those reasons shall become part of the employee's personnel file.

(g) Preemployment materials shall be excluded from the requirements of this section, except as they may be considered in

subsequent personnel actions.

SEC. 57. Section 89758 is added to the Education Code, to read:

89758. Notwithstanding any other provision of law, obligations may be incurred for the summer quarter operation in the California State University and Colleges at campuses on year-round operations, subsequent to enactment of a Budget Act and prior to July 1, payable from the appropriations contained in such Budget Act for such purposes. Such obligations and the payment thereof shall be subject to Section 89753.

SEC. 58. Section 41 of Chapter 1011 of the Statutes of 1976 is amended to read:

Sec. 41. The first Section 41380 of the Education Code, as proposed by Assembly Bill No. 3100, is repealed.

SEC. 59. This act shall become operative on April 30, 1977, or the effective date of this act, whichever is the later date.

SEC. 60. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

The reorganization of the Education Code effected by Chapter 1010 of the Statutes of 1976, inadvertently omits and erroneously omits, various provisions of prior law which should be restored to the statutes, makes various other technical and related errors, and becomes operative April 30, 1977, which is long before the effective date of ordinary statutes enacted in 1977 at the 1977–78 Regular Session of the Legislature. In order that the various technical, corrective, and clarifying changes made by this act may take effect on the effective date of the new reorganized Education Code, it is necessary that this act take effect immediately.

CHAPTER 243

An act to add Section 584.3 to, and to amend Sections 591.2, 591.6, 1200, 1240, and 1532 of, the Probate Code, relating to the civil law.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 7, 1977]

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

SECTION 1. Section 584.3 is added to the Probate Code, to read:

584.3. An executor or administrator shall have power, with approval of the court which ordered appointment of such executor or administrator, to grant an option to purchase real property of the estate for a period within or beyond the administration of the estate.

(a) To obtain such approval, the executor or administrator shall file a verified petition with the clerk describing the subject real property, stating the terms and conditions of the proposed option,

and showing the advantage to the estate in giving such option.

(b) The purchase price of the real property subject to the option must be at least 90 percent of the appraised value of such real property, and such appraisal must have been made by the referee within 90 days prior to the date of filing the petition.

(c) The clerk shall set the petition for hearing by the court and give notice thereof in the manner provided in Section 1200. The executor or administrator shall also cause notice of the hearing to be mailed, postage prepaid, to all heirs, devisees, and legatees of the decedent who are known to the executor or administrator at least 10 days before the hearing, addressed to them, at their respective post office addresses as set forth therein.

(d) Upon the hearing, the court, upon proof that due notice of the hearing has been given, shall proceed to hear the petition and any objection thereto that may have been filed or presented, and examine into the advantage to the estate in granting the option. If it appears to the court that good reason exists and that it will be to the advantage of the estate for the option to be granted, and it does not appear that a higher offer of a sum exceeding the purchase price of the real property subject to the option, or a better offer with respect to terms of the option, may be obtained, the court shall make an order approving the granting of the option and directing that the executor or administrator give such option, prescribing the terms and conditions thereof. A higher offer with respect to the purchase price shall be subject to the provisions of Section 785 governing increased bids in sales of real property, and a better offer with respect to the terms of the option shall be one deemed to be materially more advantageous to the estate. A higher offer made either for cash or upon a credit, whether on the same or different credit terms, or a better offer, shall be considered only if the personal representative informs the court in person or by counsel that the offer is acceptable prior to the court's making its order approving the granting of the option.

(e) Where the option granted pursuant to subdivision (d) extends beyond the administration of the estate, the decree of final distribution shall provide that the real property subject to such option be distributed to the distributees subject to the terms and conditions of the option. Further, any option, whether within or beyond the administration of the estate, granted pursuant to subdivision (d) shall be subject to the provisions of Section 1213.5 of the Civil Code.

SEC. 2. Section 591.2 of the Probate Code is amended to read:

591.2. Upon obtaining authority to administer the estate under this article, the executor or administrator shall proceed to administer the estate in the same manner as provided in this code with respect to executors or administrators who have not been granted such authority. However, he shall not be required to obtain judicial authorization, approval, confirmation, or instructions, which shall be known and referred to in this article as "court supervision", with

respect to any actions during the course of the administration of the estate, except that he shall be required to obtain court supervision, in the manner provided in this code, for any of the following actions:

(a) Sale or exchange of real property whether sold individually or as a unit with personal property.

(b) Allowance of executor's and administrator's commissions and attorney's fees.

(c) Settlement of accountings.

(d) Continued payment of a family allowance for a period in excess of twelve (12) months.

(e) Preliminary and final distributions and discharge.

(f) Borrowing money or executing a mortgage or deed of trust or giving other security.

(g) Leasing any real property (1) if the will does not authorize or direct the personal representative to lease property, and (2) the rental exceeds two hundred fifty dollars ($250) per month and the term exceeds one year.

(h) Completing a contract entered into by the decedent to convey real or personal property.

(i) Determining third party claims to real and personal property if the decedent died in possession of, or holding title to, such property, or determining decedent's claim to real or personal property title to or possession of which is held by another.

(j) Granting options to purchase real property.

Nevertheless, the executor or administrator may obtain court supervision as provided in this code of any action taken by him during the administration of the estate. All publications of notice required by this code shall continue to be given except, when no hearing is required because the executor or administrator does not seek court supervision of an action or proposed action, no publication of the notice of hearing shall be required.

SEC. 3. Section 591.6 of the Probate Code is amended to read:

591.6. Unless restricted by the will, an executor or administrator who has been granted authority to administer the estate without court supervision shall have all of the following powers, in addition to any other powers granted by this code, which powers can be exercised in the manner provided in this article:

(a) To manage, control, convey, divide, exchange, partition, and to sell for cash or on credit; to lease for any purpose, including exploration for and removal of gas, oil, or other minerals; to enter into community oil leases; and to grant options to purchase real property for a period within or beyond the administration of the estate.

(b) To invest and reinvest money of the estate in deposits in banks and insured savings and loan association accounts and in direct obligations of the United States maturing not later than one year from the date of investment or reinvestment; to invest and reinvest any surplus moneys in his hands in any manner provided by the will.

(c) To borrow; to place, replace, renew or extend any

encumbrance upon any property in the estate.

(d) To abandon worthless assets or any interest therein.

(e) To make ordinary or extraordinary repairs or alterations in buildings or other property.

(f) To vote a security, in person or by general or limited proxy.

(g) To sell or exercise stock subscription or conversion rights.

(h) To hold a security in the name of a nominee or in other form without disclosure of the estate, so that title to the security may pass by delivery, but the executor or administrator is liable for any act of the nominee in connection with the security so held.

(i) To insure the assets of the estate against damage or loss, and the executor or administrator against liability with respect to third persons.

(j) To allow, pay, reject, contest and compromise any claim by or against the estate by compromise; to release, in whole or in part, any claim belonging to the estate to the extent that the claim is uncollectible; to institute, compromise and defend actions and proceedings.

(k) To pay taxes, assessments, and other expenses incurred in the collection, care and administration of the estate.

(*l*) To continue the operation of the decedent's business to such extent as he shall deem to be for the best interest of the estate and those interested therein.

(m) To pay a reasonable family allowance for a period not to exceed 12 months.

SEC. 4. Section 1200 of the Probate Code is amended to read:

1200. Upon the filing of the following petitions:

(1) A petition under Section 641 of this code for the setting aside of an estate;

(2) A petition to set apart a homestead or exempt property;

(3) A petition relating to the family allowance filed after the return of the inventory;

(4) A petition for leave to settle or compromise a claim against a debtor of the decedent or a claim against the estate or a suit against the executor or administrator as such;

(5) A petition for the sale of stocks or bonds;

(6) A petition for confirmation of a sale or a petition to grant an option to purchase real property;

(7) A petition for leave to enter into an agreement to sell or give an option to purchase a mining claim or real property worked as a mine;

(8) A petition for leave to execute a promissory note or mortgage or deed of trust or give other security;

(9) A petition for leave to lease or to exchange property, or to institute an action for the partition of property;

(10) A petition for an order authorizing or directing the investment of money;

(11) A report of appraisers concerning a homestead;

(12) An account of an executor or administrator or trustee;

(13) A petition for partial or ratable or preliminary or final distribution;

(14) A petition for the delivery of the estate of a nonresident;

(15) A petition for determination of heirship or interests in an estate;

(16) A petition of a trustee for instructions;

(17) A petition for the appointment of a trustee;

(18) Any petition for letters of administration or for probate of will, or for letters of administration-with-will annexed, which is filed after letters of administration or letters testamentary have once been issued; and in all cases in which notice is required and no other time or method is prescribed by law or by court or judge, the clerk shall set the same for hearing by the court and shall give notice of the petition or application or report or account by causing a notice of the time and place of hearing thereof to be posted at the courthouse of the county where the proceedings are pending, at least 10 days before the day of hearing, giving the name of the estate, the name of the petitioner and the nature of the application, referring to the petition for further particulars, and stating the time at which the application will be heard.

At least 10 days before the time set for the hearing of such petition, account or report, the petitioner or person filing the account or desiring the confirmation of a report of appraisers, must cause notice of the time and place of hearing thereof to be mailed to the executor or administrator, when he is not the petitioner, to any coexecutor or coadministrator not petitioning, and to all persons (or to their attorneys, if they have appeared by attorney), who have requested notice or who have given notice of appearance in the estate in person or by attorney, as heir, devisee, legatee or creditor, or as otherwise interested, addressed to them at their respective post office addresses given in their request for special notice, if any, otherwise at their respective offices or places of residence, if known, and if not, at the county seat of the county where the proceedings are pending, or to be personally served upon such person.

Proof of the giving of notice must be made at the hearing; and if it appears to the satisfaction of the court that said notice has been regularly given, the court shall so find in its order, and such order, when it becomes final, shall be conclusive upon all persons.

SEC. 5. Section 1240 of the Probate Code is amended to read:

1240. An appeal may be taken from an order granting or revoking letters testamentary or of administration; removing or refusing to remove a trustee of a testamentary trust; admitting a will to probate or revoking the probate thereof; setting aside an estate claimed not to exceed twenty thousand dollars ($20,000) in value; setting apart property as a homestead or claimed to be exempt from execution confirming a report of an appraiser or appraisers in setting apart a homestead; granting or modifying a family allowance; directing or authorizing the sale or conveyance or confirming the sale of property; directing or authorizing the granting of an option to

purchase real property; adjudicating the merits of any claim under Sections 851.5, 852 or 853; allocating debts of under Section 980; settling an account of an executor or administrator or trustee, or instructing or appointing a trustee; instructing or directing an executor or administrator; directing or allowing the payment of a debt, claim, legacy or attorney's fee; fixing, directing or allowing payment of a trustee's compensation; determining heirship or the persons to whom distribution should be made or trust property should pass; distributing property; determining that property is community property passing or belonging to the surviving spouse pursuant to Section 655; refusing to make any order heretofore mentioned in this section; fixing an inheritance tax or determining that none is due; or authorizing a personal representative to invest or reinvest any surplus moneys pursuant to Section 584.5.

SEC. 6. Section 1532 of the Probate Code is amended to read:

1532. All sales must be for cash or for part cash and part deferred payments, the credit in no case to exceed 20 years from the date of sale, and the terms being subject to the approval of the court. When real property is sold upon deferred payments, the guardian must demand and receive from the purchasers, notes, and mortgage or deed of trust on the property sold, with such additional security as the court deems necessary and sufficient to secure the prompt payment of the amounts so deferred, and the interest thereon. The mortgage or deed of trust herein provided for shall be subject only to encumbrances existing at date of sale and such other encumbrances as the court shall approve.

Where property sold by the guardian for part cash and part deferred payments consists of an undivided interest in real or personal property, a joint tenancy interest, or any other interest therein less than the entire ownership, and the owner or owners of the remaining interests therein join in such sale, the note and deed of trust or mortgage may be made to the ward and such others having an interest in such property. The interest of the ward in such note and deed of trust or mortgage shall be in the same tenancy and in the same proportions as the ward's interest in the property prior to the sale.

CHAPTER 244

An act to amend Section 29820 of the Government Code, relating to county warrants.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 7, 1977.]

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

SECTION 1. Section 29820 of the Government Code is amended to read:

29820. When a warrant is presented for payment, if there is money in the treasury for that purpose, the treasurer shall pay it and stamp thereon or perforate therein the word "Paid" and the date of payment. At the option of the treasurer, warrants may be payable at the treasurer's office or at any bank at which money of the county is deposited.

CHAPTER 245

An act to add Section 23320.2 to the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 7, 1977.]

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

SECTION 1. Section 23320.2 is added to the Business and Professions Code, to read:

23320.2. In addition to the annual fees provided for in Section 23320, each license shall bear an annual renewal fee equal to 10 percent of the fee provided for in Section 23320. All money collected from the fees provided for in this section shall be deposited directly into the General Fund in the State Treasury, rather than in the Alcoholic Beverage Control Fund as provided in Section 25761.

CHAPTER 246

An act to amend Sections 33327, 33328 and 33675 of the Health and Safety Code, and to amend Sections 205.5, 214.8, 233, 251, 255, 994, 2052, 2053, 2054, 2055, 2152, 2191.3, 2615.6, 2906, 5096, and 38904 of, and to add Sections 253.10 and 987 to, and to repeal Section 225.1 and Article 2 (commencing with Section 1866) of Chapter 2 of Part 3 of Division 1 of, the Revenue and Taxation Code, and to repeal Section 18163.5 of the Streets and Highways Code, relating to property taxation.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 7, 1977.]

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

SECTION 1. Section 33327 of the Health and Safety Code, as amended by Chapter 1337 of the Statutes of 1976, is amended to read:

33327. After receipt of any preliminary redevelopment plan

pursuant to Section 33325, the agency shall transmit to the auditor, assessor, and tax collector of the county in which the proposed project is located, or to the officer or officers performing the functions of the auditor or assessor for any taxing agencies which, in levying or collecting its taxes, do not use the county assessment roll or do not collect its taxes through the county, to the legislative or governing bodies of such taxing agencies, and to the State Board of Equalization:

(1) A description of the boundaries of the project area and the property outside the project area specified in subdivision (g) of Section 33328.

(2) A statement that a plan for the redevelopment of the area is being prepared.

(3) A map indicating the boundaries of the project area and the property outside the project area specified in subdivision (g) of Section 33328.

Thereafter, if the boundaries of the proposed project are changed to increase the land within the project area, the agency shall notify such taxing officials and the State Board of Equalization by transmitting a description and map indicating each such boundary change made. The State Board of Equalization shall prescribe the format of the description of boundaries and statements, and the form, size, contents, and number of copies of the map required to be transmitted pursuant to this section.

SEC. 1.5. Section 33328 of the Health and Safety Code is amended to read:

33328. When it transmits the map of the project area to the county officials, taxing agencies, and the State Board of Equalization pursuant to Section 33327, the redevelopment agency shall also advise such officials and agencies of the last equalized assessment roll it proposes to use for the allocation of taxes pursuant to Section 33670. That roll shall be known and referred to as the base year assessment roll. The county officials charged with the responsibility of allocating taxes under Section 33670 shall prepare and deliver to the redevelopment agency and each of the taxing agencies, a report which shall include the following:

(a) The total assessed valuation of all taxable property within the project area as shown on the base year assessment roll.

(b) The identifications of each taxing agency levying taxes in the project area.

(c) The amount of tax revenue to be derived by each taxing agency from the base year assessment roll from the project area, including state subventions for homeowners, business inventory, and similar such subventions.

(d) For each taxing agency, its total ad valorem tax revenues from all property within its boundaries, whether inside or outside the project area.

(e) The estimated first year taxes available to the redevelopment agency, if any, based upon information submitted by the

redevelopment agency, broken down by taxing agencies.

(f) The assessed valuation of the project area for the preceding five years, except for state assessed property on the board roll. The assessed value shall be reported by block if the property is divided by blocks, or by such other geographical area as may be agreed upon by the agency and county officials.

(g) The total assessed valuation of all taxable property outside of the project area which is within 300 feet from the boundaries of the project area as shown on the base year assessment roll. For the purposes of this section "property within 300 feet" means and includes all of any parcel of property and any taxable property situated thereon, up to the boundaries of such parcel, when any part of the parcel is within 300 feet of the boundaries of the project area. The report, when received by the redevelopment agency, shall be included in the report required by Section 33352.

For public utilities, the reporting requirements of this section for the area that is within 300 feet of the boundaries of the project area may be met by providing the total assessed value of all land and improvements. The report, when received by the redevelopment agency, shall be included in the report required by Section 33352.

The report shall be prepared and delivered to the redevelopment agency and each of the taxing agencies within 90 days of the date of filing by the redevelopment agency with the State Board of Equalization or as otherwise agreed upon by the agency and the State Board of Equalization. If the proposed base year assessment roll has not yet been equalized at the time of the receipt of such advice, then the report shall be prepared and delivered within 90 days, or other period, otherwise agreed upon, by the agency and the State Board of Equalization, from the date set forth in Section 2050 of the Revenue and Taxation Code.

If the filing does not comply with the requirements of Section 33327, the State Board of Equalization or the official of the taxing agency entitled to receive such documents shall notify the filing agency within 10 days, stating the manner in which the filing of documents does not comply with this section. If no such notice is given it shall be conclusively presumed that the agency has complied with the provisions of this section.

If such report is not received within the time prescribed by this section, the redevelopment agency may proceed with the adoption of the redevelopment plan. The county officials may transmit a partial report, and any final report or additional information, if received by the agency prior to the close of the public hearing on the redevelopment plan shall become part of the record of the public hearing.

The State Board of Equalization and officials of all taxing agencies shall provide the county officials preparing the report with all information necessary for its preparation. All data and information upon which said report is based shall be available to the agency to the extent permitted by law.

Prior to the publication of notice of the legislative body's public hearing on the plan, the agency shall consult with each taxing agency which levies taxes, or for which taxes are levied, on property in the project area with respect to the plan and to the allocation of taxes pursuant to Section 33670.

SEC. 2. Section 33675 of the Health and Safety Code, as added by Section 22 of Chapter 1337 of the Statutes of 1976, is amended to read:

33675. (a) The portion of taxes required to be allocated pursuant to subdivision (b) of Section 33670 shall be allocated and paid to the agency by the county auditor or officer responsible for the payment of taxes into the funds of the respective taxing agencies pursuant to the procedure contained in this section.

(b) Not later than the first day of October of each year, the agency shall file with the county auditor or officer described in subdivision (a) of this section, a statement of indebtedness certified to by the chief fiscal officer of the agency for each redevelopment project, the redevelopment plan for which provides for the division of taxes pursuant to Section 33670.

(c) The statement of indebtedness shall contain for each such redevelopment project:

(1) The date on which each loan, advance, or indebtedness was incurred or entered into.

(2) The principal amount term, purpose, and interest rate, of each loan, advance, or indebtedness.

(3) The outstanding balance and amount due or to be paid by the agency of each loan, advance, or indebtedness. The Controller shall prescribe a uniform form of statement of indebtedness.

(d) The county auditor or officer shall at the same time or times as the payment of taxes into the funds of the respective taxing agencies of the county, allocate and pay the portion of taxes provided by subdivision (b) of Section 33670 to each agency in an amount not to exceed the amount as shown on the agency's statement of indebtedness.

(e) The statement of indebtedness shall be prima facie evidence of the indebtedness of the agency. If the county auditor or other officer disputes the amount of indebtedness as shown in the statement of indebtedness, the county auditor or other officer shall, within 30 days after receipt of the statement, give written notice to the agency thereof. The agency shall, within 30 days after receipt of such notice, submit such further information as it deems appropriate to substantiate the amount of any indebtedness which has been disputed. If the county auditor or other officer still disputes the amount of indebtedness, final written notice thereof shall be given to the agency and the amount disputed may be withheld from allocation and payment to the agency as provided in subdivision (c) of this section. In such event, the auditor or other officer shall bring an action in the superior court in declaratory relief to determine the matter not later than 90 days after the date of the final notice. The issue in any such action shall involve only the amount of

indebtedness, and not the validity of any contract or debt instrument or any expenditures pursuant thereto. Payments to a trustee under a bond resolution or indenture of any kind or payments to a public agency in connection with payments by such public agency pursuant to a lease or bond issue shall not be disputed in any action under this section. Any such action shall be set for trial at the earliest possible date and shall take precedence of all other cases except older matters of the same character. Unless an action is brought within the time provided for herein, the auditor or other officer shall allocate and pay the amount shown on the statement of indebtedness as provided in subdivision (d) of this section.

(f) Nothing in this section shall be construed to permit a challenge to or attack on matters precluded from challenge or attack by reason of Sections 33500 and 33501; provided that nothing in this section shall be construed to deny a remedy against the agency otherwise provided by law.

SEC. 3. Section 205.5 of the Revenue and Taxation Code is amended to read:

205.5. (a) Property which is owned by, and which constitutes the principal place of residence of a veteran is exempt from taxation on that part of the assessed value of the residence that does not exceed ten thousand dollars ($10,000), if the veteran, because of injury incurred in military service, is blind in both eyes, has lost the use of two or more limbs, or is totally disabled.

(b) For purposes of this section, "veteran" is defined as specified in subdivision (o) of Section 3 of Article XIII of the Constitution without regard to any limitation contained therein on the value of property owned by the veteran or the veteran's spouse.

(c) No veteran shall be eligible for this exemption unless he or she was a resident of California at the time of his or her entry into military or naval service, or unless he or she was a resident of the state on November 7, 1972, if he or she is blind or has lost the use of two or more limbs, or on January 1, 1975, if he or she is totally disabled; provided however, that no veteran who met a corresponding residency requirement under the law in effect prior to January 1, 1975 shall lose eligibility as the result of changes in residency requirement effective on January 1, 1975 or thereafter.

(d) Property which is owned by and which constitutes the principal place of residence of the unmarried surviving spouse of a veteran is exempt from taxation on that part of the assessed value of the residence that does not exceed ten thousand dollars ($10,000), provided that the deceased veteran during his or her lifetime qualified in all respects for the exemption under laws in effect during his or her lifetime.

(e) As used in this section, "property which is owned by a veteran" or "property which is owned by the veteran's unmarried surviving spouse" includes:

(1) Property owned by the veteran with the veteran's spouse as a joint tenancy, tenancy in common or as community property;

(2) Property owned by the veteran or the veteran's spouse as separate property;

(3) Property owned with one or more other persons to the extent of the interest owned by the veteran, the veteran's spouse, or both the veteran and the veteran's spouse;

(4) Property owned by the veteran's unmarried surviving spouse with one or more other persons to the extent of the interest owned by the veteran's unmarried surviving spouse;

(5) So much of the property of a corporation as constitutes the principal place of residence of a veteran or a veteran's unmarried surviving spouse when the veteran, or the veteran's spouse, or the veteran's unmarried surviving spouse is a shareholder of the corporation and the rights of shareholding entitle one to the possession of property, legal title to which is owned by the corporation. The exemption provided by this subsection shall be shown on the local roll and shall reduce the assessed value of the corporate property. Notwithstanding any provision of law or articles of incorporation or bylaws of a corporation described in this subsection, any reduction of property taxes paid by such corporation shall reflect an equal reduction in any charges by such corporation to the person who, by reason of qualifying for the exemption made possible such reduction for the corporation.

(f) For purposes of this section, being blind in both eyes means having a visual acuity of 5/200 or less; losing the use of a limb means that the limb has been amputated or its use has been lost by reason of ankylosis, progressive muscular dystrophies, or paralysis; and being totally disabled means that the United States Veterans Administration or the military service from which such veteran was discharged has rated the disability at 100 percent or has rated the disability compensation at 100 percent by reason of being unable to secure or follow a substantially gainful occupation.

(g) An exemption granted to a claimant in accordance with the provisions of this section shall be in lieu of the veteran's exemption provided by subdivisions (o), (p), (q), and (r) of Section 3 of Article XIII of the Constitution and any other real property tax exemption to which the claimant may be entitled. No other real property tax exemption may be granted to any other person with respect to the same residence for which an exemption has been granted under the provisions of this section, provided that if two or more veterans qualified pursuant to this section co-own a property in which they reside, each is entitled to the exemption to the extent of his or her interest.

SEC. 3.5. Section 214.8 of the Revenue and Taxation Code is amended to read:

214.8. Except as provided in Sections 213.7 and 231, the "welfare exemption" shall not be granted to any organization which is not qualified as an exempt organization under Section 23701d of this code or Section 501 (c) (3) of the Internal Revenue Code of 1954. This section shall not be construed to enlarge the "welfare exemption" to

apply to organizations qualified under Section 501(c)(3) of the Internal Revenue Code of 1954 but not otherwise qualified for the "welfare exemption" under other provisions of this code.

The exemption for veterans' organizations shall not be granted to any organization which is not qualified as an exempt organization under Section 23701f of this code or under Section 501(c)(4) or 501(c)(19) of the Internal Revenue Code of 1954. This section shall not be construed to enlarge the "veterans' organization exemption" to apply to organizations qualified under Section 501(c)(4) or 501(c)(19) but not otherwise qualified for the "veterans' organization exemption" under other provisions of this code.

SEC. 4. Section 225.1 of the Revenue and Taxation Code is repealed.

SEC. 5. Section 233 of the Revenue and Taxation Code is amended to read:

233. (a) For the purpose of taxation of goods imported from foreign countries in containers the opening of such containers shall not necessarily, in itself, result in the loss of immunity for such goods to which it is entitled under the United States Constitution.

(b) The immunity from taxation of goods imported from foreign countries shall not be lost when a container is opened for the following purposes:

(1) To inspect the contents of such container.

(2) To remove the goods belonging to two or more importers for delivery to them.

(3) To remove the goods solely for storage by the importer.

(4) To remove the goods to divert them to separate outlets of the importer in interior states.

(c) The circumstances in which opening a container shall not result in the loss of immunity from taxation is not limited to the list contained in subdivision (b).

(d) For the purposes of this section, the term "containers" is defined in Section 232.

SEC. 6. Section 251 of the Revenue and Taxation Code is amended to read:

251. The board shall prescribe all procedures and forms required to carry into effect the veterans', veterans' organization, church, cemetery, college, exhibition, immature forest trees, welfare, free public libraries, free museums, public schools, homeowners' and transshipment property tax exemption.

SEC. 7. Section 253.10 is added to the Revenue and Taxation Code, to read:

253.10. A person claiming the transshipment exemption under Section 225 may either claim this exemption by (1) a percentage method of determining property held for transshipment on hand at a particular location by allocating a portion of the total inventory, using the percentage determined by dividing the total out-of-state shipments by the taxpayer from that location during the preceding year by the total of such shipments from that location during such

year, or (2) an actual method as evidenced by contracts of sale in existence on the tax lien date, and a full, true and correct inventory of all property held for transshipment together with the date of receipt of the same, the date of withdrawal of the same, the point of origin thereof, and the point of ultimate destination thereof.

Transshipment exemption claimants shall submit to the assessor annually an affidavit, giving any information required by the board.

SEC. 8. Section 255 of the Revenue and Taxation Code is amended to read:

255. (a) Affidavits required for exemptions named in this article, except the church exemption, the veterans' exemption, the homeowners' exemption, and the transshipment exemption under Section 225, shall be filed with the assessor between the lien date and 5 p.m. on March 15. Affidavits for the veterans' exemption shall be filed with the assessor between the lien date and 5 p.m. on April 15.

(b) Affidavits for the homeowners' exemption except as otherwise provided in Sections 255.1, 255.2, and 275, shall be filed with assessor any time after the claimant becomes eligible but no later than 5 p.m. on April 15.

(c) Affidavits required for classification of vessels as documented vessels eligible for assessment under Section 227 shall be filed with the assessor between the lien date and 5 p.m. on April 1.

(d) Affidavits for the church exemption shall be filed with the assessor between the lien date and 5 p.m. on March 31.

(e) Affidavits required for the transshipment exemption shall be filed with the assessor at the same time the property statement is required to be filed pursuant to Section 441, unless the person claiming the exemption owns taxable personal property having an aggregate cost of less than thirty thousand dollars ($30,000), in which case the affidavit shall be filed with the assessor between the lien date and 5 p.m. on the last Friday in May.

SEC. 9. Section 987 is added to the Revenue and Taxation Code, to read:

987. The assessment of lands owned by a local government that are located outside its boundaries shall be as specified in Section 11 of Article XIII of the Constitution. The State Board of Equalization shall compute for each assessment year, on or before the lien date of that assessment year, the ratio to be applied to land assessed as of the 1966 lien date and the ratio to be applied to land assessed as of the 1967 lien date in the manner specified in subdivision (b) of Section 11 of Article XIII of the Constitution.

SEC. 10. Section 994 of the Revenue and Taxation Code is amended to read:

994. The following vehicles and equipment, with the exception of implements of husbandry which are subject to the provisions of Sections 410 to 414, inclusive, shall be subject to the provisions of this section, notwithstanding the provisions of Section 10758:

(a) Steel-wheeled and track-laying equipment shall not be subject to the license fees imposed pursuant to Part 5 (commencing with

Section 10701) of Division 2 of this code, but shall be assessed in the county where it has situs on the lien date.

(b) Rubber-tired equipment, except commercial vehicles and cranes registered under the Vehicle Code and which are licensed under Part 5 (commencing with Section 10701) of Division 2 of this code, which must be moved or operated under permit issued pursuant to Section 35780 of the Vehicle Code, shall be assessed in the county where it has situs on the lien date, but the assessee of such property shall be allowed to deduct from the amount of property tax the amount of any fee paid on such vehicle under Part 5 (commencing with Section 10701) of Division 2 of this code, if such fee is paid prior to the lien date for the calendar year in which the lien date occurs.

(c) Rubber-tired cranes and commercial vehicles which must be moved or operated under permit issued pursuant to Section 35780 of the Vehicle Code, and rubber-tired equipment that does not require a permit, which cranes, vehicles, and equipment are registered under the Vehicle Code and licensed under Part 5 (commencing with Section 10701) of Division 2 of this code, shall not be otherwise assessed for purposes of property taxation.

SEC. 11. Article 2 (commencing with Section 1866) of Chapter 2 of Part 3 of Division 1 of the Revenue and Taxation Code is repealed.

SEC. 12. Section 2052 of the Revenue and Taxation Code is amended to read:

2052. The local roll as delivered to the auditor pursuant to Section 1753 or 617, including any changes made by the county board during the month of July, together with the board roll as transmitted to the auditor pursuant to Section 756 and the estimate with any changes transmitted pursuant to Section 755, shall become the last equalized roll on August 20, and such rolls together shall continue to be the last equalized roll, except as otherwise provided in this chapter, (a) for the purpose of computing any debt limit for the issuance of bonds of any public entity that is based on a percentage of assessed valuation as shown on the last equalized assessment roll and (b) for all other purposes, until the assessment roll for the following year becomes the last equalized roll in accordance with the provisions of this section.

SEC. 13. Section 2053 of the Revenue and Taxation Code is amended to read:

2053. If the board makes any change in the local roll pursuant to Sections 1840 and 1841, the local roll as so changed, together with the board roll as transmitted to the auditor pursuant to Section 756 and the estimate with any changes transmitted pursuant to Section 755, shall become the last equalized roll on the date the auditor receives notice of the action of the board, except for the purpose of computing any debt limit referred to in Section 2052.

SEC. 14. Section 2054 of the Revenue and Taxation Code is amended to read:

2054. If the board makes any change in the local roll pursuant to Section 1823, the local roll as so changed, together with the board roll

as transmitted to the auditor pursuant to Section 756 and the estimate with any changes transmitted pursuant to Section 755, shall become the last equalized roll on the date the preliminary statement becomes final, or on the date the auditor receives notification of the final determination, as the case may be.

SEC. 15. Section 2055 of the Revenue and Taxation Code is amended to read:

2055. If the county board of equalization, or an assessment appeals board, as the case may be, makes any changes in the local roll pursuant to Chapter 1 (commencing with Section 1601), and including any other changes in the local roll made pursuant to law, together with the board roll as transmitted to the auditor pursuant to Section 756 and the estimate with any changes transmitted pursuant to Section 755, shall become the last equalized roll on the third day after the final adjournment of the county board of equalization or all assessment appeals boards of the county as the case may be, except for the purpose of computing any debt limit referred to in Section 2052.

SEC. 16. Section 2152 of the Revenue and Taxation Code is amended to read:

2152. The auditor shall then:

(a) Compute and enter in a separate column on the roll the respective sums in dollars and cents, rejecting the fractions of a cent, to be paid as a tax on the property listed. Notwithstanding any contrary provisions elsewhere set forth in the law, all rates applicable to any assessment may be combined into a single figure for purposes of computation and extension of the roll.

(b) Place in other columns the respective amounts due in installments.

(c) Foot each column, showing the totals.

Provided, however, that if the assessment roll is a machine-prepared roll the above prescribed computations and entries may be made and entered upon a newly prepared roll which shall incorporate the adjustments authorized by the local board of equalization.

SEC. 17. Section 2191.3 of the Revenue and Taxation Code, as amended by Chapter 156 of the Statutes of 1976, is amended to read:

2191.3. Where there is a tax on:

(a) (1) A possessory interest secured only by a lien on such taxed possessory interest, or on

(2) Goods in transit, not secured by any lien on real property, or on

(3) Improvements that have been assessed pursuant to the provisions of Section 2188.2, or on

(4) Unsecured property not secured by a lien on any real property, and such tax has become delinquent; or where a tax has been:

(b) (1) Entered on the unsecured roll pursuant to Section 531.2 or 4836.5 of this code, or

(2) Transferred to the unsecured roll pursuant to Section 4831 of

this code:

The tax collector may file for record without fee in the office of the county recorder of any county a certificate specifying the amount of the respective tax due, interest and penalties due, the name and last known address of the assessee liable for the amount, and the fact, if such be the fact, that all provisions of this division in the computation and levy of the tax have been complied with. The procedure authorized by this section is cumulative to the procedure provided by Sections 2951 and 3003.

SEC. 18. Section 2615.6 of the Revenue and Taxation Code is amended to read:

2615.6. When the county sends to any person a tax bill, it shall be accompanied by a notice regarding the additional property tax relief available under the Gonsalves-Deukmejian-Petris Senior Citizens Property Tax Relief Act. The text of this latter notice shall be prepared by the Franchise Tax Board and shall include the eligibility requirements under the act as to age and income limitations, the filing period for claims, and where additional information concerning the relief can be obtained. The notice shall also state that the relief is granted under the Gonsalves-Deukmejian-Petris Senior Citizens Property Tax Relief Act.

SEC. 19. Section 2906 of the Revenue and Taxation Code is amended to read:

2906. Annually, on or before the lien date, the auditor shall furnish the tax collector with blank unsecured property receipts, in a form prescribed by the board of supervisors, and charge the tax collector with the number of receipts furnished.

SEC. 20. Section 5096 of the Revenue and Taxation Code is amended to read:

5096. On order of the board of supervisors, any taxes paid before or after delinquency shall be refunded if they were:

(a) Paid more than once.

(b) Erroneously or illegally collected.

(c) Illegally assessed or levied.

(d) Paid on an assessment in excess of the ratio of assessed value to the full value of the property as provided in Section 401 by reason of the assessor's clerical error or excessive or improper assessments attributable to erroneous property information supplied by assessee.

(e) Paid on an assessment of improvements when the improvements did not exist on the lien date.

(f) Paid on an assessment in excess of the equalized value of the property as determined pursuant to Section 1630 by the county board of equalization.

SEC. 21. Section 38904 of the Revenue and Taxation Code is amended to read:

38904. The money in the Timber Tax Fund is appropriated as follows:

(a) To reimburse the General Fund for funds advanced for costs incurred by the board in administration of this part as follows:

(1) Five hundred twenty-nine thousand eight hundred fourteen dollars ($529,814) for fiscal years 1975–76 and 1976–77.

(2) Amounts identified and approved in subsequent fiscal years as approved in the normal budget process.

(b) To reimburse the General Fund for funds advanced for costs incurred by the State Forester in administration of Section 4582.8 of the Public Resources Code as follows:

(1) Thirteen thousand five hundred dollars ($13,500) for fiscal years 1975–76 and 1976–77.

(2) Amounts identified and approved if subsequent fiscal years as approved in the normal budget process.

(c) To the Controller to be allocated pursuant to Section 38905.

SEC. 22. Section 18163.5 of the Streets and Highways Code is repealed.

CHAPTER 247

An act to amend Sections 10152, 10153, 10153.7 and 10451.5 of the Business and Professions Code, relating to real estate.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 7, 1977.]

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

SECTION 1. Section 10152 of the Business and Professions Code is amended to read:

10152. The commissioner may require such other proof as he may deem advisable concerning the honesty and truthfulness of any applicant for a real estate license, or of the officers of any corporation making such application, before authorizing the issuance of a real estate license. For this purpose the commissioner may call a hearing in accordance with the provisions of this part relating to hearings. To assist in his determination the commissioner shall require every original applicant to be fingerprinted.

SEC. 2. Section 10153 of the Business and Professions Code is amended to read:

10153. In addition to the proof of honesty and truthfulness required of any applicant for a real estate license, the commissioner shall ascertain by written examination that the applicant, and in case of a corporation applicant for a real estate broker's license that each officer, or agent thereof through whom it proposes to act as a real estate licensee, has:

(a) An appropriate knowledge of the English language, including reading, writing and spelling and of arithmetical computations common to real estate and business opportunity practices.

(b) An understanding of the principles of real estate and business opportunity conveyancing, the general purposes and general legal

effect of agency contracts, deposit receipts, deeds, mortgages, deeds of trust, chattel mortgages, bills of sale, land contracts of sale and leases, and of the principles of business and land economics and appraisals.

(c) A general and fair understanding of the obligations between principal and agent, of the principles of real estate and business opportunity practice and the cannons of business ethics pertaining thereto, of the provisions of this part, of Chapter 1 (commencing with Section 11000) of Part 2, and of the regulations of the Real Estate Commissioner as contained in Title 10 of the California Administrative Code.

SEC. 3. Section 10153.7 of the Business and Professions Code is amended to read:

10153.7. All real estate salesman licenses issued by the commissioner shall be for a period of four years.

Applicants must qualify in the appropriate examination and satisfy all other requirements prior to issuance of the license.

The four-year license may be renewed upon filing the required application and fee.

SEC 4. Section 10451.5 of the Business and Professions Code is amended to read:

10451.5. All money paid into the State Treasury and credited to the separate account in the Real Estate Fund pursuant to Section 10450.6 is available for appropriation by the Legislature to be used by the commissioner in carrying out the provisions of this part and Chapter 1 (commencing with Section 11000) of Part 2, in the advancement of education and research in real estate at the University of California, state colleges and community colleges, or in contracting for a particular research project in the field of real estate for the state with any university in the State of California accredited by the Western Association of Schools and Colleges, or with any corporation or association qualified to perform such research; and is a continuing appropriation in carrying out the provisions of Article 3 (commencing with Section 10470) of Chapter 6 of this part.

CHAPTER 248

An act to amend Section 25533 of the Corporations Code, relating to the Commissioner of Corporations.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 25533 of the Corporations Code is amended to read:

25533. The commissioner may refer such evidence as is available concerning any violation of this law or of any rule or order hereunder to the district attorney of the county in which the violation occurred, who may, with or without such a reference, institute appropriate criminal proceedings under this law. The commissioner and his counsel, deputies, or assistants may, upon request of the district attorney, assist the district attorney in presenting the law or facts at the trial.

CHAPTER 249

An act to amend Sections 1 and 5 of Chapter 958 of the Statutes of 1976, relating to geothermal resources, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 1 of Chapter 958 of the Statutes of 1976 is amended to read:

Section 1. It is the intent of the Legislature to create a state task force to study all aspects of the development of the geothermal resources of the state and to report thereon to the Legislature and Governor, together with recommendations thereon, in accordance with the provisions of this act. The task force shall meet and organize itself at such time and place as shall be determined by the Secretary of the Resources Agency. The task force shall consist of representatives designated by the following agencies:

(1) The Resources Agency.

(2) The State Lands Commission.

(3) The Division of Oil and Gas of the Department of Conservation.

(4) The State Energy Resources Conservation and Development Commission.

(5) The Office of Planning and Research.

(6) The Public Utilities Commission.

(7) The Department of Water Resources.

(8) The Department of Fish and Game.

(9) State Water Resources Control Board.

(10) State Air Resources Board.

(11) The Division of Mines and Geology of the Department of Conservation.

(12) The State Solid Waste Management Board.

(13) Two Members of the Senate representing different political parties and appointed by the Senate Rules Committee.

(14) Two Members of the Assembly representing different political parties and appointed by the Speaker of the Assembly.

The Members of the Legislature appointed to the state task force shall meet with and participate in the work of such task force to the extent that such participation is not incompatible with their positions as Members of the Legislature. For the purposes of this act, such Members of the Legislature shall constitute a joint investigating committee on the subject of this act, and shall have the powers and duties imposed on such committees by the Joint Rules of the Senate and Assembly.

SEC. 2. Section 5 of Chapter 958 of the Statutes of 1976 is amended to read:

Sec. 5. The Secretary of the Resources Agency and the Director of the Office of Planning and Research shall transmit the final report of the task force, including its specific responses to the matters set forth in Section 3, to the Legislature and the Governor not later than December 31, 1977.

SEC. 3. The sum of ten thousand dollars ($10,000) is hereby appropriated from the General Fund to the Resources Agency for expenditure, without regard to fiscal years, for expenses by the Geothermal Resources Study Task Force created pursuant to Chapter 958 of the Statutes of 1976, including expenses incurred in the conduct of hearings, travel expenses, and for the final report of the task force.

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

The final report of the Geothermal Resources Study Task Force created by Chapter 958 of the Statutes of 1976 is required to be transmitted to the Legislature and the Governor not later than July 1, 1977. In order to provide such task force sufficient time to adequately study all aspects of the development of the geothermal resources of the state it is necessary to provide additional time for the task force to prepare such report. In order, moreover, to insure that all agencies having responsibilities in the development of geothermal resources are represented on such task force it is necessary to include representatives of the State Air Resources Board, the State Solid Waste Management Board, and the Division of Mines and Geology. In order therefore to extend from July 1, 1977, to December 31, 1977, the date by which such report must be completed, and to include representatives of the State Air Resources Board, the State Solid Waste Management Board, and the Division of Mines and Geology on the task force, it is necessary that this act go into immediate effect.

CHAPTER 250

An act to amend Section 2080.3 of the Civil Code, relating to lost and unclaimed property.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 2080.3 of the Civil Code is amended to read:

2080.3. (a) If the reported value of the property is fifty dollars ($50) or more and no owner appears and proves his ownership of the property within 90 days, the police department or sheriff's department shall cause notice of the property to be published at least once in a newspaper of general circulation. If, after seven days following the first publication of the notice, no owner appears and proves his ownership of the property and the person who found or saved the property pays the cost of the publication, the title shall vest in the person who found or saved the property unless the property was found in the course of employment by an employee of any public agency in which case the property shall be sold at public auction. Title to the property shall not vest in the person who found or saved the property or in the successful bidder at the public auction unless the cost of publication is first paid to the city, county, or city and county whose police or sheriff's department caused the notice to be published.

(b) If the reported value of the property is less than fifty dollars ($50) and no owner appears and proves his ownership of the property within 90 days, the title shall vest in the person who found or saved the property, unless the property was found in the course of employment by an employee of any public agency, in which case the property shall be sold at public auction.

CHAPTER 251

An act to amend Section 20330 of the Government Code, and to amend Section 14310 of the Public Resources Code, relating to the California Conservation Corps, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 20330 of the Government Code is amended to read:

20330. The following persons are excluded from membership in this system:

(a) Inmates of state or public agency institutions who are allowed compensation for such service as they are able to perform.

(b) Independent contractors who are not employees.

(c) Persons employed as student assistants in the state colleges or the university and persons employed as student aids in the special schools of the State Department of Education and in the public schools of the state.

(d) Blind persons and other physically handicapped persons employed by the California Industries for the Blind.

(e) Persons who have attained age 66½ or older at the time of first employment by the state or a contracting agency.

(f) Participants, other than staff officers and employees, in the California Conservation Corps.

SEC. 2. Section 14310 of the Public Resources Code is amended to read:

14310. Notwithstanding any other provision of law, corps participants, other than staff officers and employees, shall not receive unemployment insurance or state retirement benefits.

SEC. 3. The provisions of this act do not constitute a change in, but are declaratory of, the existing law. Therefore, they shall have retroactive effect.

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

This act is urgently needed to clarify the law with respect to the eligibility of certain officers and employees of the California Conservation Corps for unemployment insurance and state retirement benefits. Therefore, it is necessary that this act take effect immediately.

CHAPTER 252

An act to amend Sections 31459, 31601.1, 31641.96, 31671.01, 31721, and 31808 of, and to repeal Sections 31809 and 31809.5 of, the Government Code, relating to the County Employees Retirement Law of 1937.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 31459 of the Government Code is amended to read:

31459. (a) In a county in which a board of investments has been established pursuant to Section 31520.2:

(1) As used in Sections 31453, 31454, 31454.5, 31472, 31528, 31591, the first paragraph of Section 31592.2, Sections 31592.3, 31594, 31595, 31595.1, 31595.3, 31595.4, 31595.5, 31595.6, 31596, 31603, 31604, 31605, 31607, and 31625, "board" means board of investment.

(2) Sections 31522, 31523, 31524, 31525, 31529, 31680, and 31680.1 apply to both the board of retirement and board of investment, and "board" means both "board of retirement" and "board of investment."

(b) In Article 17 (commencing with Section 31880) of this chapter, "board" means the Board of Administration of the Public Employees' Retirement System.

(c) In all other cases "board" means the board of retirement.

SEC. 2. Section 31601.1 of the Government Code is amended to read:

31601.1. In counties having a board of investments pursuant to Section 31520.2, no investment shall be made in real property unless it is approved by a unanimous vote of the board and, if the investment is authorized by subdivision (e) of Section 31595, by a four-fifths vote of the board of supervisors of the county in which the system is established or, if the investment is authorized by subdivision (g) of Section 31595, by a four-fifths vote of the members of the county board of education of the county in which the system is established.

SEC. 3. Section 31641.96 of the Government Code is amended to read:

31641.96. Notwithstanding any other provisions of this chapter, Section 31641.9 shall not be applicable to any county subject to the provisions of Section 31676.1, 31676.11, 31676.12, 31676.13, 31676.14, or 31676.15.

SEC. 4. Section 31671.01 of the Government Code is amended to read:

31671.01. This section shall apply to any county subject to the provisions of Section 31676.11, 31676.13, 31676.14, or 31676.15. At the expiration of five years after a retirement system becomes subject to the provisions of these sections, every member who has attained age 65 shall be retired forthwith. Thereafter, every member shall be retired as of the first day of the calendar month next succeeding that in which he attains age 65.

This section shall not apply to any officer holding an elective office.

SEC. 4.5. Section 31721 of the Government Code is amended to read:

31721. A member may be retired for disability upon the application of the member, the head of the office or department in which he is or was last employed, the board or its agents, or any other person on his behalf, except that an employer may not separate

because of disability a member otherwise eligible to retire for disability but shall apply for disability retirement of any member believed to be disabled, unless the member waives the right to retire for disability and elects to withdraw contributions or to permit contributions to remain in the fund with rights to service retirement as provided in Article 9 (commencing with Section 31700) of this chapter.

SEC. 5. Section 31808 of the Government Code is amended to read:

31808. In any county or district subject to the provisions of Section 31676.1, 31676.11, 31676.13, or 31676.14, the retirement allowance payable for retirement service rendered prior to the effective date of the resolution mentioned in Section 31800 shall be computed in accordance with the provisions of Section 31676.1, 31676.11, 31676.13, or 31676.14, whichever is applicable. The retirement allowance with respect to service performed after the effective date of this article shall equal the total of the following:

(a) The fraction of one-ninetieth of the first three hundred fifty dollars ($350) monthly of the member's final compensation set forth in the table appearing in Section 31676.1, 31676.11, 31676.13, or 31676.14, whichever is applicable, in the column applicable to his sex and age at retirement taken to the preceding completed quarter year multiplied by the number of years of creditable service as provided therein.

(b) The fraction of one-sixtieth of any remaining portion of the member's final compensation set forth in the table appearing in Section 31676.1, 31676.11, 31676.13, or 31676.14, whichever is applicable, in the column applicable to his sex and age at retirement taken to the preceding completed quarter year multiplied by the number of years of creditable service.

SEC. 6. Section 31809 of the Government Code is repealed.

SEC. 7. Section 31809.5 of the Government Code is repealed.

CHAPTER 253

An act to amend Section 12093 of the Penal Code, relating to firearms.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 12093 of the Penal Code is amended to read:

12093. Any person may place or stamp on any pistol, revolver, or other firearm any number or identifying indicium, provided the number or identifying indicium does not change, alter, remove, or obliterate the manufacturer's name, number, model, or other mark

of identification. This section does not prohibit restoration by the owner of the name of the maker, model, or of the original manufacturer's number or other mark of identification when such restoration is authorized by the department, nor prevent any manufacturer from placing in the ordinary course of business the name of the maker, model, manufacturer's number, or other mark of identification upon a new firearm.

CHAPTER 254

An act to amend Section 8092 of, and to add Section 8092.5 to, the Education Code, relating to community colleges, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 8092 of the Education Code is amended to read:

8092. Any school district or districts; any community college district or districts; any county superintendent or superintendents; or the governing body of any agency maintaining a regional occupational center or program may contract with a private postsecondary school approved pursuant to the provisions of Chapter 3 (commencing with Section 94300) of Part 59 of Division 10 of Title 3 to provide vocational skill training authorized by this code.

All contracts between a public entity and a private educational institution entered into pursuant to this section shall:

(1) Be approved by the Department of Education or Chancellor of the California Community Colleges as appropriate pursuant to rules and regulations adopted by the State Board of Education or the board of governors as appropriate;

(2) Provide that the amount contracted for per student shall not exceed the total direct and indirect costs to provide the same training in the public schools or the tuition the private institution charges its private students, whichever is lower;

(3) Provide that the public school students receiving training in a private educational institution pursuant to such contract may not be charged additional tuition for any training included in the contract. The attendance of such students pursuant to a contract authorized by this section shall be credited to the public school entity for the purposes of apportionments from the State School Fund;

(4) Provide that all programs, courses, and classes of instruction shall meet the standards set forth in the California State Plan for Vocational Education.

The students who attend a private postsecondary school pursuant

to a contract under this section shall be enrollees of the public school entity and the attendance of such students at the private school shall be credited to the public school entity for the purposes of apportionments from the State School Fund.

The State Department of Finance and the Department of Education, or the board of governors, as the case may be, may audit the accounts of both the public entity and the private party involved in such contracts to the extent necessary to assure the integrity of the public funds involved.

SEC. 2. Section 8092.5 is added to the Education Code, to read:

8092.5. A community college district may contract with a public or private postsecondary education institution in a neighboring state which borders on the district boundary to provide vocational skill training for district students authorized by this code. All such contracts shall meet the requirements of Section 8092 and shall meet the general intent of the provisions of Chapter 3 (commencing with Section 94300) of Part 59 of Division 10 of Title 3.

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

In order to initiate proposed vocational skill training programs at the start of fiscal year 1977–78, and so facilitate the orderly administration thereof, it is necessary that this act take effect immediately.

CHAPTER 255

An act to amend Sections 45273 and 88092 of the Education Code, relating to school classified employees.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977]

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

SECTION 1. Section 45273 of the Education Code is amended to read:

45273. Examinations shall be administered objectively, and shall consist of test parts that relate to job performance.

For classes of positions deemed by the commission or by the authority responsible for the administration of classified employee examinations to require an oral examination, the oral examination board shall include at least two members.

Unless specifically directed to evaluate candidates' technical knowledge and skills, the oral examination board shall confine itself to evaluating general fitness for employment in the class. When the oral examination board is directed to evaluate technical knowledge

and skills, at least two members of the board shall be technically qualified in the specified occupational area. Members of the governing board or personnel commission shall not serve on an oral examination board. A district employee may serve on an oral examination board if he is not at the first or second level of supervision over a vacant position in the class for which the examination is held.

The personnel commission shall provide for the proceedings of all oral examinations to be electronically recorded. In no case will an oral examination board be provided with confidential references on employees of the district who are competing in promotional examinations. Scores achieved by the candidate on other parts of the examination shall not be made available to the oral examination board.

SEC. 2. Section 88092 of the Education Code is amended to read:

88092. Examinations shall be administered objectively, and shall consist of test parts that relate to job performance.

For classes of positions deemed by the commission or by the authority responsible for the administration of classified employee examinations to require an oral examination, the oral examination board shall include at least two members.

Unless specifically directed to evaluate candidates' technical knowledge and skills, the oral examination board shall confine itself to evaluating general fitness for employment in the class. When the oral examination board is directed to evaluate technical knowledge and skills, at least two members of the board shall be technically qualified in the specified occupational area. Members of the governing board or personnel commission shall not serve on an oral examination board. A district employee may serve on an oral examination board if he is not at the first or second level of supervision over a vacant position in the class for which the examination is held.

The personnel commission shall provide for the proceedings of all oral examinations to be electronically recorded. In no case will an oral examination board be provided with confidential references on employees of the district who are competing in promotional examinations. Scores achieved by the candidate on other parts of the examination shall not be made available to the oral examination board.

CHAPTER 256

An act to amend Sections 16430 and 16480.35 of the Government Code, relating to the Pooled Money Investment Board.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 16430 of the Government Code is amended to read:

16430. Eligible securities for the investment of surplus moneys shall be:

(a) Bonds or interest-bearing notes or obligations of the United States, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

(b) Bonds of this state, or those for which the faith and credit of this state are pledged for the payment of principal and interest.

(c) Bonds of any county, city, metropolitan water district, municipal utility district, or school district of this state.

(d) Bonds, consolidated bonds, collateral trust debentures, consolidated debentures, or other obligations issued by federal land banks or federal intermediate credit banks established under the Federal Farm Loan Act, as amended, in debentures and consolidated debentures issued by the Central Bank for Cooperatives and banks for cooperatives established under the Farm Credit Act of 1933, as amended, in bonds or debentures of the Federal Home Loan Bank Board established under the Federal Home Loan Bank Act, in stock, bonds, debentures and other obligations of the Federal National Mortgage Association established under the National Housing Act as amended, and in the bonds of any federal home loan bank established under said act, and in bonds, notes, and other obligations issued by the Tennessee Valley Authority under the Tennessee Valley Authority Act as amended.

(e) Commercial paper of "prime" quality as defined by a nationally recognized organization which rates such securities. Eligible paper is further limited to issuing corporations: (1) organized and operating within the United States; (2) having total assets in excess of five hundred million dollars ($500,000,000); and (3) approved by the Pooled Money Investment Board. Purchases of eligible commercial paper may not exceed 180 days' maturity, represent more than 10 percent of the outstanding paper of an issuing corporation, nor exceed 30 percent of the resources of an investment program. At the request of the Pooled Money Investment Board, such investment shall be secured by the issuer by depositing with the Treasurer securities authorized by Section 53651 of a market value at least 10 percent in excess of the amount of the state's investment.

(f) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers acceptances, which are eligible for purchase by the Federal Reserve System.

(g) Negotiable certificates of deposits purchased from a nationally or state chartered bank or savings and loan association. For the purposes of this section, negotiable certificates of deposits do not come within the provisions of Chapter 4 (commencing with Section 16500) of Part 2 of Division 4 of Title 2 of the Government Code.

(h) The portion of bank loans and obligations guaranteed by the United States Small Business Administration or the United States Farmers Home Administration.

CHAPTER 257

An act to amend Section 3248 of the Civil Code, relating to contracts.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

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

3248. To be approved the payment bond shall be executed by either two or more good and sufficient sureties or by a corporate surety and shall satisfy all of the following requirements:

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

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

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

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

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

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

CHAPTER 258

An act to add Section 16501.5 to the Welfare and Institutions Code, relating to children.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 16501.5 is added to the Welfare and Institutions Code, to read:

16501.5. In order to implement subdivision (c) of Section 16501, any county or combination of counties may contract on behalf of a child protective service unit with adult caretakers and other in-home supportive personnel in accordance with established county civil service requirements or merit system requirements for those counties not having civil service, or may contract with a city, county, or city and county agency, a local health district, a voluntary nonprofit agency, a proprietary agency, or an individual for the provision of child care.

CHAPTER 259

An act to add Section 42239.5 to the Education Code, relating to school finance, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 42239.5 is added to the Education Code, to read:

42239.5. (a) Whenever a school district has received school facilities and a portion of an elementary attendance area from another school district by virtue of that partial attendance area deannexing itself from one school district to join another, the school district gaining the partial attendance area shall be allowed to include the average daily attendance transferring in its base year for purposes of determining the extent of declining enrollment, if any, in the budget year, for purposes of the computations provided pursuant to Section 42239.

(b) Whenever a school district has transferred school facilities and a portion of an elementary attendance area to another school district by virtue of that partial attendance area deannexing itself from one school district to join another, the school district losing the partial attendance area shall exclude the average daily attendance

transferred from its base year for purposes of determining the extent of declining enrollment, if any, in the budget year, for purposes of the computations provided pursuant to Section 42239.

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

In order that certain school districts with declining enrollment may receive adequate funding commencing with the 1977–78 school year, it is essential that this act take immediate effect.

CHAPTER 260

An act to add and repeal Section 13331 of the Government Code, relating to budgets, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 13331 is added to the Government Code, to read:

13331. (a) Notwithstanding the provisions of Section 13320, proposed budgets for the 1978–79 fiscal year of three departments, divisions, bureaus, boards, commissions or programs, as selected by the Governor, shall be prepared in accordance with zero-base budgeting principles, as developed by the Director of Finance. Such principles, which shall be applied in the preparation of the proposed budgets, shall include, but need not be limited to, all of the following:

(1) Identification and description of each program activity.

(2) Statement of objectives of each program activity and output.

(3) Evaluation and ranking of program activities on the basis of a benefit versus cost analysis, and allocation of resources to program activities accordingly.

(4) Description and evaluation of qualitative and quantitative effects or impact on funding the program activity at a level of 50 percent, 75 percent, 100 percent, 125 percent, and 150 percent of the funding level for the 1977–78 fiscal year.

(5) Estimation of effects of each such funding level on proposed future expenditures and revenues, if any, estimated to be generated by the program activity.

(6) Identification of effects of each such funding level on personnel requirements.

(b) All information developed for zero-base budgeting pursuant to this section shall be made available to the Legislative Analyst, the Director of Finance, the Executive Officer of the Commission on

California State Government Organization and Economy, and the chairman of each fiscal committee of the Legislature.

This section shall remain in effect only until November 15, 1978, and as of that date is repealed, unless a later enacted statute, which is chaptered before November 15, 1978, deletes or extends such date.

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

This act is intended to affect the proposed budgets of three state agencies for the 1978–79 fiscal year. In order to achieve its intended result, it is necessary that this act take effect immediately.

CHAPTER 261

An act to add Sections 45105.1 and 88079.1 to the Education Code, relating to schools, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 45105.1 is added to the Education Code, to read:

45105.1. In addition to the exemptions authorized by Section 45256, and notwithstanding the provisions of Section 45105, there shall be exempt from the classified service, positions which are established pursuant to Title VI of the Comprehensive Employment and Training Act of 1973 (CETA) as amended by the Emergency Jobs and Unemployment Assistance Act of 1974, and which are limited to projects of not more than one-year duration.

Persons employed in such positions shall be eligible to apply for any position or class of positions within the classified service for which they meet the qualifications.

SEC. 2. Section 88079.1 is added to the Education Code, to read:

88079.1. In addition to the exemptions authorized by Section 88076, and notwithstanding the provisions of Section 88005, there shall be exempt from the classified service, positions which are established pursuant to Title VI of the Comprehensive Employment and Training Act of 1973 (CETA) as amended by the Emergency Jobs and Unemployment Assistance Act of 1974, and which are limited to projects of not more than one-year duration.

Persons employed in such positions shall be eligible to apply for any position or class of positions within the classified service for which they meet the qualifications.

SEC. 2.5. The Compton Unified School District is hereby

exempted from the provisions of Section 39649 of the Education Code from July 1, 1977, through June 30, 1979, regardless of the effective date of this act. This exemption is needed in order to permit the Compton Unified School District, which has received a four million eight hundred thousand dollar ($4,800,000) grant under the Federal Local Public Works Development Act of 1976 to reduce the unemployment rate in the Compton area, and to hire unemployed persons from the Compton area to make repairs, alterations, or additions to school buildings, grounds, and equipment owned by the district. Any persons employed to complete projects pursuant to this section shall be paid the prevailing wage pursuant to Section 1771 of the Labor Code. Due to these unique circumstances, the Legislature finds and declares that this section cannot be made a general statute within the meaning of Section 16 of Article IV of the Constitution.

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

In order that the statutes of this state relating to school district and community college district positions which are established in accordance with the federal Comprehensive Employment and Training Act of 1973 (CETA) may be aligned with such federal statute when federal funding becomes available in the near future, it is necessary that this act take effect immediately.

CHAPTER 262

An act to amend Section 8734 of the Health and Safety Code, relating to cemeteries, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 8734 of the Health and Safety Code is amended to read:

8734. (a) Except as provided in subdivisions (b), (c), and (d), the board of trustees or corporate trustee of an endowment care fund or one or more special care funds shall file a fidelity bond issued by an admitted surety with the Cemetery Board in the amount of fifty thousand dollars ($50,000), guaranteeing payment to each such fund of any monetary loss incurred by the fund occasioned by acts of fraud or dishonesty by the trustees or trustee. The board of trustees or corporate trustee of both an endowment care fund and one or more special care funds need file only one such bond. The aggregate liability of the surety shall in no case exceed fifty thousand dollars

($50,000).

(b) Any cemetery authority which has a fidelity bond on all officers and employees issued by an admitted surety and which by its terms would cover any acts of fraud or dishonesty by the trustees or corporate trustee of its endowment and special care funds need not file a separate bond with the Cemetery Board as provided in subdivision (a), but shall submit to the Cemetery Board satisfactory evidence of such a fidelity bond. Such fidelity bond, except as provided in subdivision (d), shall provide at least fifty thousand dollars ($50,000) specifically designated to guarantee payment of any monetary loss incurred by the endowment care or special care funds of the cemetery authority occasioned by any acts of fraud or dishonesty by the board of trustees or corporate trustee thereof.

(c) In lieu of filing a bond issued by a surety pursuant to subdivision (a), the cemetery authority from its assets may deposit with the Cemetery Board either cash or bearer bonds or bearer notes of the United States or of the State of California having a market value of not less than fifty thousand dollars ($50,000), or such lesser amount as may be approved pursuant to subdivision (d). Any cash so deposited shall be placed in an interest bearing account with a bank or savings and loan association. The interest on such account or on any bonds deposited shall be paid to the cemetery authority.

The liability on any bond filed pursuant to this subdivision shall be the same as prescribed by subdivision (a).

(d) Upon application, the Cemetery Board may reduce the amount of the bond required pursuant to this section if moneys in the endowment care fund and special care funds administered by the applicant board of trustees or corporate trustee are substantially less than fifty thousand dollars ($50,000). In such cases, the Cemetery Board may permit filing of a bond pursuant to subdivision (a), (b), or (c) which, while the bond is on file, is not less than the aggregate amount of all moneys in the endowment care fund and special care funds administered by the applicant. If the Cemetery Board permits exceptions pursuant to this subdivision, it shall adopt procedures to assure that affected bonds do not fall below such amount.

(e) The trustees or corporate trustee of an endowment care fund or special care fund shall take no action respecting trust funds unless there is on file with the board a bond as required by this section. The Cemetery Board may suspend the certificate of authority of any cemetery authority having endowment or special care funds with respect to which there is no bond on file with the board as required by this section, or whenever such a bond falls below the amount required by this section.

(f) Nothing in this section shall be construed to limit the liability of the trustees or corporate trustee of an endowment care fund or special care fund to the amount of the bond required hereunder.

(g) Any state or national bank authorized to engage in the trust business pursuant to Division 1 (commencing with Section 99) of the Financial Code shall be exempt from the requirements of this

section.

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

In order for the law requiring trustees of cemetery endowment care or special care funds to post a bond to be effectively implemented in an economical manner, it is necessary that this act take effect immediately.

CHAPTER 263

An act to add Chapter 5 (commencing with Section 43801) to Division 17 of the Food and Agricultural Code, relating to citrus fruit.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Chapter 5 (commencing with Section 43801) is added to Division 17 of the Food and Agricultural Code, to read:

CHAPTER 5. GRAPEFRUIT

43801. The White Marsh Grapefruit may be labeled as "Golden Grapefruit" for varietal designation.

CHAPTER 264

An act to amend Sections 18120, 18130, 18131 and 18134 of the Financial Code, relating to industrial loan companies, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 18120 of the Financial Code is amended to read:

18120. Before the commissioner issues a certificate of authorization to operate as an industrial loan company, there must be paid in cash for the benefit of the corporation, the minimum capital stock and minimum paid-in surplus or reserve required pursuant to Article 3 (commencing with Section 18130) of this chapter.

SEC. 2. Section 18130 of the Financial Code is amended to read:

18130. The capital stock of an industrial loan company incorporated under this division shall be in accordance with the following:

(a) If incorporated or commencing business on or before September 18, 1959, the capital stock shall not be less than the following amounts:

(1) Fifty thousand dollars ($50,000) when the corporation is transacting business in any city having a population of less than 50,000 inhabitants.

(2) One hundred thousand dollars ($100,000) when the corporation is transacting business in any city having 50,000 or more inhabitants.

(b) If incorporated or commencing business after September 18, 1959, but before November 23, 1970, the capital stock shall not be less than three hundred thousand dollars ($300,000).

(c) If incorporated or commencing business on or after November 23, 1970, the capital stock shall not be less than five hundred thousand dollars ($500,000).

(d) If incorporated or commencing business on or after July 9, 1975, the capital stock shall not be less than seven hundred fifty thousand dollars ($750,000) and a minimum unimpaired paid-in surplus of five hundred thousand dollars ($500,000).

SEC. 3. Section 18131 of the Financial Code is amended to read:

18131. (a) The capital stock and the paid-in surplus required by subdivision (d) of Section 18130 shall apply if the commissioner finds any of the following:

(1) An industrial loan company desires to change or has changed its place of business to a city with a population larger than the city from which the change is to be made or was made.

(2) An industrial loan company opens an additional branch office or place of business in a city with a population larger than the city in which it is operating at the time business is commenced at the new branch office or place of business.

(b) The provisions of this section shall be applicable only to an industrial loan company that changes its place of business or opens an additional branch office or place of business on or after July 9, 1975, and when the city to which the change of place of business occurs or in which the additional branch office or place of business is opened has a population of 500,000 or more inhabitants.

SEC. 4. Section 18134 of the Financial Code is amended to read:

18134. (a) An industrial loan company which commenced business on or before November 22, 1970 (other than a company subject to Section 18131), which opens an additional branch office or place of business shall have capital stock required by Section 18130 or 18132 or three hundred thousand dollars ($300,000), whichever is greater, plus additional capital stock of fifty thousand dollars ($50,000) for each branch office opened on or after July 9, 1975, plus twenty-five thousand dollars ($25,000) for each branch office opened before July 9, 1975.

(b) An industrial loan company which commenced business on or after November 23, 1970 (other than a company subject to Section 18131), which opens an additional branch office or place of business shall have capital stock required by Section 18130 or 18132, or five hundred thousand dollars ($500,000), whichever is greater, plus additional capital stock of fifty thousand dollars ($50,000) for each branch office opened on or after July 9, 1975, plus twenty-five thousand dollars ($25,000) for each branch office opened before July 9, 1975.

(c) An industrial loan company which commenced business on or after July 9, 1975 (or which is subject to Section 18131), which opens an additional branch office or place of business shall have capital stock of seven hundred fifty thousand dollars ($750,000) plus additional capital stock of fifty thousand dollars ($50,000) for each branch office.

(d) In addition to the capital stock required by subdivision (a) or (b), an industrial loan company shall, at the time of commencing business or opening a branch office, have minimum unimpaired paid-in surplus or other surplus in an amount at least equal to 50 percent of the amount of minimum capital stock required by subdivision (a) or (b), except that paid-in surplus or other surplus shall not be required for any additional branch office or place of business opened on or after July 9, 1975.

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

A substantial portion of the capitalization requirement for industrial loan companies was inadvertently omitted from Chapter 964, Statutes of 1976. The effect of this inadvertent omission is that new companies will be allowed to commence business with inadequate capital, thereby decreasing protection to thrift certificate holders.

CHAPTER 265

An act to amend Section 70141.10 of the Government Code, relating to courts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 70141.10 of the Government Code is amended to read:

70141.10. In the County of Marin, the superior court may provide that the commissioner, in addition to the duties prescribed in Section 259 of the Code of Civil Procedure, shall perform the duties prescribed by Section 259a of the Code of Civil Procedure and in addition thereto the duties of a probate commissioner appointed pursuant to Section 69897 of this code.

Any commissioner appointed pursuant to this section shall have been admitted to practice law in California for not less than five years and shall receive a salary recommended by the superior court and approved by the board of supervisors.

If the board of supervisors, in its sole discretion, appropriates the necessary funds therefor, any court commissioner who has been duly appointed and has thereafter been retired for service, may be assigned by the presiding judge of the superior court to serve as a court commissioner for such periods as he is needed for the prompt and efficient discharge of the business of the court. While so serving, he shall receive his retirement allowance and, in addition, the county shall pay him the amount equal to the difference between such retirement allowance and the full compensation of a court commissioner. Such employment shall not operate to reinstate him as a member of the county retirement system or in any way affect his retirement rights or allowances, and no deduction shall be made from his compensation contributions to the retirement system.

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

In order for the county to be able to employ an experienced court commissioner upon the retirement of the current court commissioner, it is necessary that this act go into effect immediately.

CHAPTER 266

An act to amend Section 24074 of the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 24074 of the Business and Professions Code is amended to read:

24074. Before the filing of such a transfer application with the department, if the intended transfer of the business or license involves a purchase price or consideration, the licensee and the

intended transferee shall establish an escrow with some person, corporation, or association not a party to the transfer acting as escrow holder, and the intended transferee shall deposit with the escrow holder the full amount of the purchase price or consideration. The transfer application shall be accompanied by a description of the entire consideration. Such description shall include a designation of cash, checks, promissory notes, and tangible and intangible property, and the amount of each thereof. The licensee and intended transferee shall also enter into an agreement, which agreement shall be deposited with the escrow holder, directing the escrow holder, after the requirements for transfer as provided in Section 24049 are satisfied, to pay out of the purchase price or consideration, whether such consideration takes the form of cash, checks, promissory notes, or tangible or intangible property, the claims of the bona fide creditors of the licensee who file their claims with the escrow holder before the escrow holder is notified by the department of its approval of the transfer of the license or if the purchase price or consideration is not sufficient to pay the claims in full, to distribute the consideration as follows:

First, to the United States for claims based on income or withholding taxes; and thereafter for claims based on any tax other than specified in Section 24049;

Second, to the payment of claims for wages, salaries, or fringe benefits of employees of the seller or transferor earned or accruing prior to the sale, transfer, or opening of an escrow for the sale thereof;

Third, to the payment of claims of secured creditors to the extent of the proceeds which arise from the sale of the security; and to the payment of claims of a landlord, to the extent of proceeds on past due rent;

Fourth, to the payment of claims on mechanics' liens;

Fifth, to the payment of escrow fees and the payment of claims for prevailing brokerage fees for services rendered and claims for reasonable attorney's fees for services rendered;

Sixth, to the payment of claims for goods sold and delivered to the transferor for resale at his licensed premises and the payment of claims for services rendered, performed, or supplied in connection with the operation of the licensed business.

Seventh, to the payment of all other claims. The payment of these claims if sufficient assets are not available for the payment of the claim in full shall be paid pro rata.

If the transferor licensee disputes any claim, the escrow holder shall notify the claimant, and the amount or pro rata amount thereof shall be retained by the escrow holder for a period of 25 days, and if not attached shall be paid to the transferor licensee. The agreement shall also provide that the escrow holder shall make the payment or distribution within a reasonable time after the completion of the transfer of the license.

CHAPTER 267

An act to amend Section 52317 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, relating to regional occupational centers and programs.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 52317 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

52317. (a) The county superintendent of schools, with the approval of the county board of education, and the governing board of each school district, or joint powers governing board, which maintains a regional occupational center or regional occupational program pursuant to this chapter, shall certify to the county auditor and to the county board of supervisors, on or before August 10 of each year, the amount of money required to be raised by a tax for the education of pupils attending the regional occupational center, or regional occupational program, maintained by the county superintendent of schools or by a school district, as the case may be, and for the purposes set forth in Section 52312.

(b) The amount shall be determined by subtracting from the total revenue limit determined pursuant to paragraph (3) of this subdivision in the regional occupational center, or regional occupational program, including transportation, to the county superintendent of schools or school district, as the case may be, the amount received pursuant to Section 52321. At the time of levying county taxes, the board of supervisors shall levy a county tax for each regional occupational center, or regional occupational program, maintained in the county by the county superintendent of schools pursuant to this chapter sufficient to produce the amount required by this section, upon the following taxable property within school districts under the jurisdiction of the county superintendent maintaining the regional occupational center or regional occupational center program:

(1) In a county in which the governing board of a school district is not maintaining a regional occupational center or regional occupational program pursuant to this chapter, upon all the taxable property within school districts under the jurisdiction of the county superintendent maintaining the regional occupational center or regional occupational center program.

(2) In a county in which the governing boards of one or more school districts are maintaining a regional occupational center or regional occupational program pursuant to this chapter, upon the taxable property within that portion of the territory within school districts under the jurisdiction of the county superintendent

maintaining the regional occupational center or regional occupational program which is not included in territory of such school districts.

(3) For the 1976–77 fiscal year, the revenue limit per average daily attendance for county regional occupational centers and regional occupational programs, as the case may be, shall be the expenditure per average daily attendance in either the 1974–75 or the 1975–76 fiscal year for centers or programs in existence in those fiscal years, or for regional occupational programs beginning operation in the 1975–76 fiscal year, adjusted by the same percentage increase that is allowed to the regular high school foundation program for the 1976–77 fiscal year. The revenue limit as determined by expenditures for the base year may be increased up to an amount per unit of average daily attendance equal to the difference between local tax revenues per unit of average daily attendance certified for collection and the local tax revenues per unit of average daily attendance actually received for the base year provided expenditures were maintained below the budgeted amount due to a lack of sufficient funds. In subsequent years, the county revenue limit shall be adjusted by the percentage increase in the regular high school foundation program; provided, however, that the revenue limit per average daily attendance for each county-operated regional occupational program or center for the 1977–78 and subsequent fiscal years may be increased by a percentage of no more than the weighted average revenue limit per average daily attendance percentage increase of the participating school districts in that county.

(c) The amount received from this tax shall be deposited in the county school service fund, or, if the regional occupational center, or regional occupational program, for which such tax was levied is maintained by a school district, in the county treasury to the credit of the general fund of that school district.

(d) The maximum rate of the countywide tax levied for the purposes of this section, except for the purposes set forth in Section 52312, shall not exceed ten cents ($0.10) on each one hundred dollars ($100) of assessed valuation within the county and the maximum rate of the district tax levied under this section for the purposes set forth in Section 52312 shall not exceed five cents ($0.05) on each one hundred dollars ($100) of assessed valuation in the district.

(e) As used in this section, school district includes each of those school districts which are cooperating in the maintenance of a regional occupational center, or regional occupational program, with the approval of the county superintendent of schools pursuant to Section 52301.

CHAPTER 268

An act to amend Section 52306 of the Education Code, relating to regional occupational centers and programs.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 52306 of the Education Code is amended to read:

52306. (a) Any business, commercial, trade, manufacturing, or construction activity referred to in subdivision (c) of Section 52305 may be undertaken as part of a regional occupational center or program provided all the following conditions have been complied with:

(1) Any such facility or program operated pursuant hereto shall be only for the education or training of students enrolled in a regional occupational center or program.

(2) Any such facility or program shall be approved by the appropriate agency of the Department of Education according to requirements and standards of the State Plan for Vocational Education and rules and regulations adopted by the State Board of Education.

(3) Any such facility or program shall be operated on a nonprofit basis, with all revenues restricted in their use to cover instructional and operating costs.

(4) Notwithstanding any other provision of law, any such facility or program initially shall obtain the approval of the appropriate trade associations concerned with the activity proposed and the approval of the county labor council in the county in which the facility or program is located.

(b) An activity conducted by a regional occupational center or program may be conducted without the need to apply for or obtain local business licenses or permits, nor shall the activity be subject to payment of local business taxes.

Notwithstanding any other provisions of law, proceeds from business activities authorized in this section may, subject to the approval of the governing board, be deposited in a checking account or accounts by each regional occupational center or program and disbursed for the necessary expenses of said business activities. The account shall be established by the regional occupational center or program and be in the custody of the principal or other administrative official designated by the governing board or the county superintendent of schools, as the case may be. The principal or administrative official shall be responsible for all expenditures therefrom, subject to such regulations as the governing board or the county superintendent of schools, as the case may be, prescribes. An

exact accounting of receipts and disbursements shall be made to the district or county accounting office within a reasonable period of time. The governing board or the county superintendent of schools, as the case may be, shall provide for an audit of such accounts on a regular basis.

(c) Attendance of students in any business, commercial, trade, manufacturing, or construction activity referred to in subdivision (c) of Section 52305, at any regional occupational center or regional occupational program, shall be credited to such facility or program for the purposes of apportionments from the State School Fund, except that the Superintendent of Public Instruction shall deduct from such apportionment any revenues earned by such facility or program in excess of operating costs.

CHAPTER 269

An act to amend Section 13855 of the Health and Safety Code, relating to fire protection districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 13855 of the Health and Safety Code is amended to read:

13855. The district board may contract with other governmental agencies. The district board may also contract with a private firm or corporation to provide, maintain, or operate ambulances or ambulance service or to operate and maintain rescue and first aid services within and without the district. The district board may also enter into mutual aid agreements with other fire protection districts, the United States and agencies thereof, and any private firm or corporation which is engaged in the manufacture of materials or equipment for national defense under contract with the United States, or any agency thereof, and which maintains a full-time fire department.

Any such private firm or corporation which enters into a mutual aid agreement pursuant to this section, or any employee thereof, shall have the same immunity from liability for civil damages on account of personal injury to or death of any person or damage to property resulting from acts or omissions of its fire department personnel in the performance of the provisions of the mutual aid agreement as is provided by law for districts organized and operating pursuant to this part and their employees, except when such act or omission occurs on property under the control of such firm or corporation.

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

In order that fire protection districts may contract for needed ambulance, rescue, and first aid services, it is necessary that this act take effect immediately.

CHAPTER 270

An act to amend Section 21712 of the Business and Professions Code, relating to antifreeze and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 21712 of the Business and Professions Code is amended to read:

21712. (a) An antifreeze shall be deemed to be misbranded: (1) if its labeling is false or misleading in any particular; or (2) if the package does not bear a label on which is printed the name and place of business of the manufacturer, packer, seller or distributor, and an accurate statement of the quantity of the contents in terms of liquid measure, and these facts are not stated plainly and correctly on the outside of the package; or (3) if the product is to be diluted with another substance for use and does not bear on the label, or in an accompanying instruction sheet, folder or booklet, a statement or chart showing appropriate amounts of each substance in terms of liquid measure to be used to provide protection from freezing at various degrees of temperature down to at least 30 degrees below zero Fahrenheit.

(b) A coolant shall be deemed to be misbranded: (1) if its labeling is false or misleading in any particular; or (2) if the package does not bear a label on which is printed the name and place of business of the manufacturer, packer, seller or distributor, and an accurate statement of the quantity of the contents in terms of liquid measure, and these facts are not stated plainly and correctly on the outside of the package; or (3) if the product is to be diluted with another substance for use and does not bear on the label a statement showing that a 50 percent mixture of the coolant and water will raise the boiling point of the mixture to at least 224°F at atmospheric pressure, or (4) if the product is to be used full strength and does not bear on the label a statement showing that the product has a boiling point of at least 224°F at atmospheric pressure.

(c) The director may, by regulation, exempt specific products

from the requirements of Section 21712 (b) (3) and (4) provided they meet all other requirements of Section 21712 and any regulations pertaining thereto, and provided further that it can be proven to the satisfaction of the director by the person requesting the exemption that the product fulfills the purpose for which it is manufactured, distributed and sold.

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

A recent court decision found that a provision allowing the Director of the Department of Food and Agriculture to exempt specific combination antifreeze and coolant products from specified boiling point requirements discriminated against antifreeze and coolant products which were not combined, therefore in order to authorize the director to exempt such products, without discrimination, from such requirements without delay it is necessary that this act go into immediate effect.

CHAPTER 271

An act to amend Section 326.5 of the Penal Code, and to add Sections 215.2 and 23710 to the Revenue and Taxation Code, relating to bingo, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 326.5 of the Penal Code is amended to read:

326.5. (a) Neither this chapter nor Chapter 10 (commencing with Section 330) applies to any bingo game which is conducted in a city, county, or city and county pursuant to an ordinance enacted under Section 19 of Article IV of the State Constitution, provided that such ordinance allows games to be conducted only by organizations exempted from the payment of the bank and corporation tax by Sections 23701a, 23701b, 23701d, 23701e, 23701f, 23701g, and 23701*l* of the Revenue and Taxation Code and by mobilehome park associations and senior citizens organizations; and provided that the proceeds of such games are used only for charitable purposes.

(b) It is a misdemeanor for any person to receive or pay a profit, wage, or salary from any bingo game authorized by Section 19 of Article IV of the State Constitution.

(c) A violation of subdivision (b) of this section shall be punishable by a fine not to exceed ten thousand dollars ($10,000), which fine shall be deposited in the general fund of the city, county, or city and

county which enacted the ordinance authorizing the bingo game. A violation of any provision of this section, other than subdivision (b), is a misdemeanor.

(d) The city, county, or city and county which enacted the ordinance authorizing the bingo game may bring an action to enjoin a violation of this section.

(e) No minors shall be allowed to participate in any bingo game.

(f) An organization authorized to conduct bingo games pursuant to subdivision (a) shall conduct a bingo game only on property owned or leased by it, and which property is used by such organization for an office or for performance of the purposes for which the organization is organized. Nothing in this subdivision shall be construed to require that the property owned or leased by the organization be used or leased exclusively by such organization.

(g) All bingo games shall be open to the public, not just to the members of the authorized organization.

(h) A bingo game shall be operated and staffed only by members of the authorized organization which organized it. Such members shall not receive a profit, wage, or salary from any bingo game. Only the organization authorized to conduct a bingo game shall operate such game, or participate in the promotion, supervision, or any other phase of such game.

(i) No individual corporation, partnership, or other legal entity except the organization authorized to conduct a bingo game shall hold a financial interest in the conduct of such bingo game.

(j) With respect to organizations exempt from payment of the bank and corporation tax by Section 23701d of the Revenue and Taxation Code, all profits derived from a bingo game shall be kept in a special fund or account and shall not be commingled with any other fund or account. Such profits shall be used only for charitable purposes. With respect to other organizations authorized to conduct bingo games pursuant to this section, all proceeds derived from a bingo game shall be kept in a special fund or account and shall not be commingled with any other fund or account. Such proceeds shall be used only for charitable purposes, except as follows:

(1) Such proceeds may be used for prizes.

(2) A portion of such proceeds, not to exceed 10 percent of the proceeds after the deduction for prizes, or five hundred dollars ($500) per month, whichever is less, may be used for rental of property, overhead, and administrative expenses.

(k) A city, county, or city and county may impose a license fee on each organization which it authorizes to conduct bingo games. The fee, whether for the initial license or renewal, shall not exceed fifty dollars ($50). If an application for a license is denied, one-half of any license fee paid shall be refunded to the organization.

(*l*) No person shall be allowed to participate in a bingo game, unless the person is physically present at the time and place in which the bingo game is being conducted.

(m) The total value of prizes awarded during the conduct of any

bingo games shall not exceed two hundred fifty dollars ($250) in cash or kind, or both, for each separate game which is held.

(n) As used in this section "bingo" means a game of chance in which prizes are awarded on the basis of designated numbers or symbols on a card which conform to numbers or symbols selected at random. It is the intention of the Legislature that bingo as defined in this subdivision applies exclusively to this section and shall not be applied in the construction or enforcement of any other provision of law.

SEC. 2. Section 215.2 is added to the Revenue and Taxation Code, to read:

215.2. Property owned by an organization that satisfies the requirements of Section 214, 215, or 215.1 and which is used primarily for exempt purposes shall not be denied the welfare or veterans organization exemption because such property is also used for conducting bingo games pursuant to Section 326.5 of the Penal Code, provided that the proceeds from such games are used exclusively for the charitable purposes of such organization.

SEC. 3. Section 23710 is added to the Revenue and Taxation Code, to read:

23710. Any organization exempted from taxes imposed under this part pursuant to the provisions of this article shall not be disqualified for such exemption on the basis that it conducts bingo games pursuant to Section 326.5 of the Penal Code, provided that the proceeds from such games are used exclusively for charitable purposes.

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

In order for this act to properly implement the constitutional amendment to Section 19 of Article IV of the Constitution, permitting bingo, which the people of California approved at the June 1976 primary, it is necessary that this act take effect immediately.

CHAPTER 272

An act to add Section 10127.15 to the Insurance Code, relating to insurance, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 10127.15 is added to the Insurance Code, to read:

10127.15. Any provision contained in a policy of disability insurance or a self-insured employee welfare benefit plan for a reduction of loss of time benefits during a benefit period because of an increase in benefits payable under the federal Social Security Act, as amended, shall be null and void with respect to any such increase which occurs on or after the effective date of this section.

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

Social Security benefits to which this act apply will increase on July 1, 1977. In order that the provisions of this act may apply to such increase, it is necessary that this act go into effect immediately.

CHAPTER 273

An act to amend Sections 1462, 1500.2, 1754, 1851.2, and 2006 of, to add Section 2007 to, and to amend and renumber Section 1606 of, the Probate Code, and to amend Section 36 of Chapter 1357 of the Statutes of 1976, relating to civil law, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 1462 of the Probate Code, as amended by Chapter 1357 of the Statutes of 1976, is amended to read:

1462. If, upon the hearing, it appears to the court that the person in question is incompetent, the court must appoint a guardian of his person and estate, or person or estate. In awarding letters of guardianship, the court shall give preference to such person as may have been designated by will or deed, unless good cause to the contrary is shown.

Before letters of guardianship may issue, a copy of the order appointing the guardian shall be served by mail upon the ward. The order shall contain the names, addresses, and telephone numbers of the guardian, the ward's attorney, if any, and the court investigator, if any.

The selection of a guardian of the person and estate or person or estate shall be solely in the discretion of the court. Among persons equally qualified in the opinion of the court to be appointed as guardian, preference is to be given as follows:

(1) To the ward's nominee under Section 1463.

(2) To the spouse of a married ward or the nominee of such spouse,

unless an action for dissolution of marriage is pending.

(3) To an adult child of the ward or the nominee of such child.

(4) To a parent of the ward or the nominee of such parent.

(5) To a brother or sister of the ward or the nominee of such brother or sister.

(6) To any qualified person or corporation upon the appropriate petition to the court, or if there is no such person or corporation qualified and willing to act in such capacity, to the public guardian under Section 8006 of the Welfare and Institutions Code.

The preference for any nominee to appointment under subdivisions (3), (4), and (5) shall be subordinate to the preference for any other child, parent, brother or sister in such class.

SEC. 2. Section 1500.2 of the Probate Code, as added by Chapter 1357 of the Statutes of 1976, is amended to read:

1500.2. For all guardianships established prior to the effective date of the amendments to this division adopted at the 1975–76 Regular Session of the Legislature, review pursuant to the terms of Section 1500.1 shall commence at the time of the next financial accounting, but in all cases within three years from the operative date of such amendments.

SEC. 3. Section 1606 of the Probate Code, as added by Chapter 1357 of the Statutes of 1976, is amended and renumbered to read:

1606.5. In any proceeding for the appointment of a guardian for the person and estate or person or estate of an alleged incompetent person or for restoration of his capacity under this division, the alleged or adjudicated incompetent person shall be represented by legal counsel at the hearing, if he so chooses, irrespective of whether he appears to have capacity to make such choice. If he so chooses, but is unable to retain legal counsel, the court shall, at the time of the hearing, appoint the public defender or other attorney to represent him.

The court shall hear and determine the matter according to the laws and procedure relating to civil actions, including trial by jury if demanded.

In any case in which the alleged or adjudicated incompetent person is furnished legal counsel, either through the public defender or private counsel appointed by the court, upon conclusion of the hearing, the court shall make a determination of the present ability of the alleged or adjudicated incompetent person to pay all or a portion of the costs of such counsel. If the court determines that the alleged or adjudicated incompetent person has the present ability to pay all or a portion of the costs, it shall order him or the guardian of the estate to pay the sum, in the case of the public defender, or court-appointed counsel, to the county, and in the case of private counsel, to such counsel, in any installments and manner which is believed reasonable and compatible with his financial ability. If a guardian is not appointed for the alleged incompetent person, execution may be issued on the order in the same manner as on a judgment in a civil action.

SEC. 4. Section 1754 of the Probate Code, as amended by Chapter 1357 of the Statutes of 1976, is amended to read:

1754. Any person or any relative or friend of any person, other than a creditor of the proposed conservatee, may file a verified petition alleging that the appointment of a conservator is required. The petition shall set forth, so far as they are known to the petitioner, the names and residences of the spouse, if any, and the relatives of the proposed conservatee within the second degree. Upon the filing of the petition, the clerk shall set the petition for hearing by the court. Notice of the nature of the proceedings and of the time and place of the hearing on the petition shall be mailed by the petitioner to the spouse, if any, and to each of such relatives, and if the proposed conservatee is an "absentee," as defined in Section 1751.5, to the secretary concerned or to the head of the United States department or agency concerned, as the case may be, at least 15 days before such hearing date. If the proposed conservatee is an "absentee," as defined in Section 1751.5, such notice shall also be published pursuant to Section 6061 of the Government Code in a newspaper of general circulation in the county in which the proceedings will be held.

If the petition is filed by a person other than the proposed conservatee, the clerk shall issue a citation directed to the proposed conservatee setting forth the time and place of the hearing. The citation shall include a specific delineation of the legal standards by which the need for a conservatorship is adjudged as stated in Section 1751, and shall state that the proposed conservatee may be adjudged unable to provide for his personal needs or manage his financial resources, and by reason thereof, a conservator may be appointed for his person and property or person or property, that such adjudication may transfer the proposed conservatee's right to contract, manage and control his property, and to fix his residence to the appointed conservator, that the court or a court investigator will explain the nature, purpose and effect of the proceeding to the proposed conservatee and answer questions concerning such explanation, that the proposed conservatee shall have the right to appear at such hearing and oppose such petition, that he shall have the right to legal counsel of his own choosing, including the right to have legal counsel appointed for him by the court if he is unable to retain one, and that he has the right to a jury trial if he so desires.

The citation, and a copy of the petition, shall be served upon the proposed conservatee in the same manner provided for in Section 415.10 or 415.30 of the Code of Civil Procedure or in such manner as may be authorized by the court, at least 10 days before the time of the hearing. No such citation shall, however, be required if the proposed conservatee is an "absentee," as defined in Section 1751.5.

The proposed conservatee, if he is the petitioner, or if he is in the state at date of service and, if able to attend, shall be produced at the hearing, and, if not able to attend by reason of medical inability, such inability shall be established by the affidavit or certificate of a duly licensed medical practitioner. If the proposed conservatee is an

adherent of a religion whose tenets and practices call for reliance on prayer alone for healing and is under treatment by an accredited practitioner of such religion, an affidavit as to his or her medical inability to attend by an accredited practitioner shall be acceptable. Emotional or psychological instability shall not be considered good cause for the absence of the proposed conservatee within the meaning of this section, unless, by reason of such instability, attendance at the hearing is likely to cause serious and immediate physiological damage to the proposed conservatee. The medical affidavit shall be evidence only of the proposed conservatee's medical inability to attend the hearing and shall not be considered in determining the issue of need for appointment of a conservator. If the proposed conservatee is an "absentee," as defined in Section 1751.5 his inability to attend the hearing shall be established by a certificate complying with Section 1283 of the Evidence Code, showing the determination of the Secretary of the Military Department or the head of the department, or agency concerned or his delegate, as the case may be, that the "absentee" is in missing status.

Upon receipt of the affidavit or certificate attesting to the proposed conservatee's inability to attend the hearing, the court shall appoint a court investigator to personally interview the proposed conservatee and to inform him as to the contents of the citation, the nature, purpose and effect of the proceeding, and of his right to oppose the proceeding, attend the hearing, have the matter tried by jury and be represented by counsel. The investigator shall also determine whether it appears that the proposed conservatee is unable to attend the hearing, whether the proposed conservatee wishes to contest the establishment of the conservatorship, whether the proposed conservatee wishes to be represented by counsel, and if so, whether the proposed conservatee has retained counsel, and if not, the name of an attorney the proposed conservatee wishes to retain.

If the proposed conservatee does not wish to contest the establishment of the guardianship, the investigator shall determine if the proposed conservatee objects to the proposed conservator, or if he prefers another person to act as conservator.

The court investigator shall report his findings, including the proposed conservatee's express statement concerning representation by counsel, in writing, to the court at least five days before the date set for hearing.

As used in this chapter, a "court investigator" or "investigator" is a person trained in law who is an officer or special appointee of the court with no personal or other beneficial interest in the proceedings.

Whenever a notice to any officer or agency of this state or of the United States would be required upon a petition for the appointment of a guardian of an alleged incompetent person a like notice shall be given of a petition under this chapter. Any officer or agency of this

state or of the United States, or the authorized delegate thereof, or any relative or friend of the proposed conservatee, or the proposed conservatee himself, may appear and oppose the petition.

SEC. 5. Section 1851.2 of the Probate Code is amended to read:

1851.2. For each conservatorship established prior to the operative date of the amendments to this division adopted at the 1975–76 Regular Session of the Legislature, review pursuant to the terms of Section 1851.1 shall commence at the time of the next financial accounting, but in all cases within three years from the operative date of such amendments.

SEC. 5.1. Section 2006 of the Probate Code is amended to read:

2006. In any proceeding for the appointment of a conservator for the person and estate or person or estate of a proposed conservatee or for termination of a conservatorship under this division, the proposed conservatee shall be represented by legal counsel at the hearing, if he so chooses, irrespective of whether he appears to have capacity to make such choice. If he so chooses but is unable to retain legal counsel, the court shall, at the time of the hearing, appoint the public defender or other attorney to represent him.

The court shall hear and determine the matter according to the laws and procedure relating to civil actions, including trial by jury if demanded.

In any case in which the proposed conservatee or conservatee is furnished legal counsel, either through the public defender or private counsel appointed by the court, upon the conclusion of the hearing, the court shall make a determination of the present ability of the proposed conservatee or conservatee to pay all or a portion of the costs of such counsel. If the court determines that the proposed conservatee or conservatee has the present ability to pay all or a portion of the costs, it shall order him or the conservator of the estate to pay the sum, in the case of the public defender, or court-appointed counsel to the county, and in the case of private counsel, to such counsel, in any installments and manner which is believed reasonable and compatible with his financial ability. If a conservator is not appointed for the proposed conservatee, execution may be issued on the order in the same manner as on a judgment in a civil action.

SEC. 5.2. Section 2007 is added to the Probate Code, to read:

2007. Any county without a public defender is authorized to compensate the attorneys appointed for persons who are, or who are proposed, conservatees or wards entitled to be represented by counsel in proceedings under Divisions 4 (commencing with Section 1400) and 5 (commencing with Section 1701) of this code.

SEC. 6. Section 36 of Chapter 1357 of the Statutes of 1976 is amended to read:

Sec. 36. There are no state-mandated local costs within the meaning of 2231 of the Revenue and Taxation Code imposed on local governmental entities in the 1976–77 fiscal year by this act in connection with any start-up costs which might be incurred by local

governmental entities in the period between the effective and operative dates of this act. However, there are state-mandated local costs in this act in subsequent years that require reimbursement under Section 2231 of the Revenue and Taxation Code which can be handled in the regular budget process.

SEC. 7. This act shall become operative on July 1, 1977.

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

In order to avoid potential confusion regarding the interpretation of the provisions of Chapter 1357 of the Statutes of 1976, and to permit local governmental entities to receive reimbursement for costs incurred thereunder on and after July 1, 1977, the operative date of Chapter 1357, it is necessary that this act take effect immediately.

CHAPTER 274

An act to add Sections 26506 and 26507 to the Government Code, relating to the disposition of civil penalties.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 26506 is added to the Government Code, to read:

26506. Notwithstanding any other provision of law, the proceeds of civil penalties or other monetary awards recovered in any civil action brought jointly in the name of the people of the State of California by the Attorney General, one or more district attorneys, or by one or more city attorneys, or any combination thereof, shall be paid as approved by the court.

SEC. 2. Section 26507 is added to the Government Code, to read:

26507. A district attorney, city attorney, or any combination thereof, may, in agreement with other district attorneys or city attorneys, act jointly in prosecuting a civil cause of action of benefit to his own county in a court of the other jurisdiction.

CHAPTER 275

An act to amend and renumber Section 21114.6 of, and to add Section 21968 to, the Vehicle Code, relating to skateboards, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 21114.6 of the Vehicle Code is amended and renumbered to read:

21967. Except as provided in Section 21968, alocal authority may adopt rules and regulations by ordinance or resolution prohibiting or restricting persons from riding or propelling skateboards in roadways.

SEC. 2. Section 21968 is added to the Vehicle Code, to read:

21968. No motorized skateboard may be propelled on any sidewalk, roadway, or any other part of a highway or on any bikeway, bicycle path or trail, equestrian trail, or hiking or recreational trail.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local governmental entities which, in the aggregate, do not result in significant, identifiable cost changes.

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

Certain motorized skateboards that have recently been introduced in this state pose exceptional traffic hazards because of their capability for attaining high speeds. Therefore, in order for this act to have its intended effect, it is necessary that this act take effect immediately.

CHAPTER 276

An act to amend Sections 1 and 2 of Chapter 60 of the Statutes of 1975, relating to schools, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 1 of Chapter 60 of the Statutes of 1975 is amended to read:

Section 1. Section 39227 of the Education Code, insofar as that section prohibits the use, after June 30, 1975, of school buildings which have been examined and found unsafe, shall not be applicable to any school buildings of the Stockton Unified School District which are the subject of a court order involving desegregation of schools of the district; provided, however, that the district is proceeding with plans to acquire or construct additional schools to comply with the court order and that its continued use of the nonconforming school buildings is necessary to carry on the district's educational program until such time as the newly acquired or constructed schools are ready for occupancy. In no event shall the existing nonconforming school buildings be used to house pupils after June 30, 1978.

SEC. 2. Section 2 of Chapter 60 of the Statutes of 1975 is amended to read:

Sec. 2. Because of a court order prohibiting the Stockton Unified School District from undertaking new school construction pending resolution of a controversy involving desegregation of schools of the district, the school district has been effectively precluded from proceeding with plans to bring its schools up to Field Act standards within the time periods prescribed by law. Therefore, the Legislature hereby finds and declares that due to a unique situation existing in the Stockton Unified School District a general act of broad operation and effect cannot be made applicable within the meaning of Section 16 of Article IV of the Constitution.

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

The exemption by statute of the schools of the Stockton Unified School Districts from compliance with the structural standards of the Field Act will expire on June 30, 1977, which is long before the effective date of regular statutes enacted in 1977 by the Legislature at the 1977–78 Regular Session. However, the Stockton Unified School District is not able to effect such compliance by such date. This bill would extend such date. Hence, in order for such exemption to be extended, it is necessary that this act take effect immediately.

CHAPTER 277

An act to amend Section 34112 of, and to add Section 34115.5 to, the Health and Safety Code, relating to community development commissions.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 34112 of the Health and Safety Code is amended to read:

34112. The commission is created and established in order that a community may have the option of operating and governing its redevelopment agency, or its redevelopment agency and its housing authority, under a single operating entity and board. The commission is also created and established for the purpose of exercising any other powers regarding community development which the legislative body of a community may desire to delegate to the commission subject to such conditions as may be imposed by the legislative body.

SEC. 2. Section 34115.5 is added to the Health and Safety Code, to read:

34115.5. The ordinance of the legislative body declaring a need for a commission to function in the community may declare a need that the commission function only with respect to a redevelopment agency or that the commission function with respect to a redevelopment agency and a housing authority. If the ordinance declares a need that the commission function only with respect to a redevelopment agency, then the commission shall not have the powers, duties, and responsibilities of a housing authority and the provisions requiring that two of the commissioners be tenants of the housing authority shall be inapplicable.

CHAPTER 278

An act to amend Sections 3010, 3050, and 3066 of the Vehicle Code, relating to vehicles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 3010 of the Vehicle Code is amended to read:

3010. Five members of the board shall constitute a quorum for the transaction of business, for the performance of any duty or the exercise of any power or authority of the board, except that three members of the board, who are not new motor vehicle dealers, shall constitute a quorum for the purposes of Article 4 (commencing with Section 3060) of this chapter.

SEC. 2. Section 3050 of the Vehicle Code is amended to read:

3050. The board shall:

(a) Adopt rules and regulations in accordance with the provisions of Chapter 4.5 (commencing with Section 11371), Part 1, Division 3, Title 2 of the Government Code governing such matters as are specifically committed to its jurisdiction.

(b) Hear and consider, within the limitations and in accordance with the procedure hereinafter provided, an appeal presented by an applicant for, or holder of, a license as a new motor vehicle dealer, manufacturer, manufacturer branch, distributor, distributor branch, or representative when any such applicant or licensee submits such an appeal provided for in this chapter from a decision arising out of the department.

(c) Consider any matter concerning the activities or practices of any person applying for or holding a license as a new motor vehicle dealer, manufacturer, manufacturer branch, distributor, distributor branch, or representative pursuant to Chapter 4 (commencing with Section 11700) of Division 5 submitted by any person; and, after such consideration, the board may do any one or any combination of the following:

(1) Direct the department to conduct such investigation of such matter as the board deems reasonable, and make a written report on the results of such investigation to the board within the time specified by the board;

(2) Undertake to arbitrate amicably or resolve any honest difference of opinion or viewpoint existing between any member of the public and any new motor vehicle dealer, manufacturer, manufacturer branch, distributor, distributor branch, or representative;

(3) Order the department to exercise any and all authority or power that the department may have with respect to the issuance, renewal, refusal to renew, suspension or revocation of the license of any new motor vehicle dealer, manufacturer, manufacturer branch, distributor, distributor branch, or representative as such license is required under Chapter 4 (commencing with Section 11700) of Division 5.

(d) Hear and consider, within the limitations and in accordance with the procedure hereinafter provided, a protest presented by a franchisee pursuant to Section 3060, 3062, 3064, or 3065. However, no member of the board who is a new motor vehicle dealer may participate in, deliberate on, hear or consider, or decide, any matter involving a protest filed pursuant to Article 4 (commencing with Section 3060) of this chapter.

SEC. 3. Section 3066 of the Vehicle Code is amended to read:

3066. (a) Upon receiving a notice of protest pursuant to Section 3060, 3062, 3064, or 3065, the board shall fix a time, which shall be within 60 days of such order, and place of hearing and send by registered mail a copy of the order to the franchisor, the protesting franchisee, and all individuals and groups which have requested notification by the board of protests and decisions of the board. The

board, or a hearing officer designated by the board, shall hear and consider the oral and documented evidence introduced by the parties and other interested individuals and groups, and the board shall make its decision solely on the record so made. Government Code Sections 11507.6, 11507.7, except subdivision (c), 11510, 11511, 11513, 11514, 11515, and 11517 shall be applicable to such proceedings.

(b) In any hearing on a protest filed pursuant to Section 3060 or 3062, the franchisor shall have the burden of proof to establish that there is good cause to modify, replace, terminate, or refuse to continue a franchise. The franchisee shall have the burden of proof to establish there is good cause not to enter into a franchise establishing or relocating an additional motor vehicle dealership.

(c) In any hearing on a protest filed pursuant to Section 3064 or 3065, the franchisee shall have the burden to establish that the schedule of compensation or the warranty reimbursement schedule is not reasonable.

(d) No member of the board who is a new motor vehicle dealer may participate in, deliberate on, hear or consider, or decide, any matter involving a protest filed pursuant to this article.

SEC. 4. The Legislature hereby finds and declares that 38 percent of all energy in California is used in the transportation sector, and that, therefore, improved fuel efficiency for motor vehicles should be an essential part of the state's energy conservation policy.

The Legislature further finds and declares that motor vehicle manufacturers may be unable to comply with recently adopted federal efficiency standards due to a diminishing consumer concern for fuel efficiency, and that a graduated vehicle registration and license fee schedule, scaled according to weight, fuel efficiency, or both, may reinforce the federal efforts and, because of our energy crisis, is a more logical basis for determining fees than by market value.

As used in this section, passenger vehicle is any motor vehicle, other than a motor truck, truck tractor, motorcycle, or house car, as such terms are defined in the Vehicle Code, designed for carrying not more than 10 persons including the driver, and used or maintained for the transportation of persons.

On or before January 1, 1979, the Department of Motor Vehicles shall develop and submit to the Legislature a proposed vehicle registration fee and license fee schedule for 1981 model year passenger vehicles, scaled according to weight, fuel efficiency, or both, or some similar method. The total fees proposed by the schedule shall be at least equal to that provided by the method currently utilized by the Department of Motor Vehicles for determining registration and license fees plus that necessary for administrative costs.

During the development of the schedule, the Department of Motor Vehicles shall consider more than one method of determining the registration and license fee, including combining the currently utilized method with a graduated tax on less efficient vehicles and

a fee reduction for fuel-efficient vehicles.

The Department of Motor Vehicles shall submit to the Legislature with the schedule an analysis of all the methods of determining registration or license fees which were considered by the department pursuant to this section. The analysis shall include a discussion of the feasibility for implementation by the department of each method.

For the purpose of developing the required schedule, the Department of Motor Vehicles shall consult with the State Energy Resources Conservation and Development Commission, the State Air Resources Board, the Federal Environmental Protection Agency, and motor vehicle manufacturers.

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

This act is intended to have a beneficial effect with respect to improved fuel economy for motor vehicles. In addition, this act is intended to resolve questions regarding the participation of new motor vehicle dealer members of the New Motor Vehicle Dealer Board in connection with disputes between new motor vehicle dealers and manufacturers, in view of the decision of the California Court of Appeal in the recent case of America Motor Sales Corporation v. New Motor Vehicle Board (Super. Ct. No. 254420 filed May 23, 1977).

It is imperative that something be done regarding the problems to which the bill relates at the earliest possible time; thus, it is necessary that this act take effect immediately.

CHAPTER 279

An act to add Section 31155.5 to the Water Code, relating to Coachella Valley County Water District, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 31155.5 is added to the Water Code, to read:

31155.5. Notwithstanding any other provision of law, except the provisions of the Districts Securities Law (Chapter 1 (commencing with Section 20000) of Division 10 of the Water Code), the District Securities Investigation Law of 1965 (Chapter 2.5 (commencing with Section 58750) of Division 2 of Title 6 of the Government Code), and the Irrigation District Federal Cooperation Law (Chapter 2 (commencing with Section 23175) of Part 6 of Division 11 of the

Water Code), however, any reference in such laws to the requirement for approval of the contract, which is the subject of this section, by the electorate of the district shall not apply, and, provided, that such contract shall be submitted to the State Treasurer for his examination and report pursuant to the provisions of Section 23222 and 23286 of the Water Code insofar as they may be applicable, the Coachella Valley County Water District is hereby authorized, upon approval of its Board of Directors, to enter into a repayment contract with the United States of America as provided in the Colorado River Basin Salinity Control Act (43 U.S.C. 1571, et seq., P.L. 93-320), provided, however, such repayment contract shall expressly exclude ad valorem taxation as a source of revenue for contract payments by the Coachella Valley County Water District.

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

The proposed repayment contract between the United States of America and the Coachella Valley County Water District for the relocation and concrete lining of the first 49 miles of the Coachella Branch of the All American Canal is pending for approval by the Secretary of Interior. Upon such approval, the United States of America will want the Coachella Valley County Water District at the earliest possible time to be in a position to authorize, execute, and validate such repayment contract so that when appropriated funds are available, construction can start and be completed to the end that water seepage losses of an estimated one hundred thirty-two thousand (132,000) acre-feet of water annually can be prevented, and assistance to the salinity control program on the Colorado River by the United States of America can thereby be rendered. In order to provide such authorization, it is therefore necessary for this act to take effect immediately.

CHAPTER 280

An act to amend Section 7071.11 of the Business and Professions Code, relating to contractors, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 7071.11 of the Business and Professions Code is amended to read:

7071.11. Any person claiming against any bond or cash deposit required by this article may maintain an action at law against the

licensee and the surety or the cash depository. A copy of the complaint shall be served by registered or certified mail upon the registrar by the clerk of the court at the time the action is commenced and the registrar shall maintain a record, available for public inspection, of all actions so commenced. The claim of any employee of the contractor for wages and fringe benefits shall be a preferred claim against any bond or cash deposit. If any bond or cash deposit which may be required is insufficient to pay all claims in full, the sum of the bond or cash deposit shall be distributed to all claimants in proportion to the amount of their respective claims with priority to claims for wages and fringe benefits. Any such action against a bond or cash deposit filed by an active licensee shall be brought within two years after the expiration of the license period or periods for which a bond or cash deposit has been provided, or within two years of the date the license of such active licensee was inactivated by the board, whichever first occurs.

If the surety desires to make payment without awaiting court action, the amount of any bond filed in compliance with this chapter shall be reduced to the extent of any payment or payments made by the surety in good faith thereafter. The partial payment of any claims shall not be considered satisfaction of such claims and the claimants may institute appropriate legal action for payment of any unpaid balance in any other manner provided by law, and the registrar may continue suspension or revocation of any license involved until such time as said claims and any other claims arising out of an action against such bond or cash deposit are satisfied in full.

The aggregate liability of the surety for all claims of said persons shall, in no event, exceed the penal sum of said bond.

Upon failure of a licensee to maintain in full force and effect any bond or cash deposit required by this article the registrar shall issue an order suspending or revoking such license, which shall not be reinstated until a new bond or cash deposit has been filed.

When the surety makes payment on any claim against a bond required by this article, whether or not payment is made through a court action or otherwise, the surety shall, within 30 days of the payment, notify the registrar. The notice shall contain the name and license number of the contractor, the surety bond number, the amount of payment, and the names of the person or persons to whom payments are made.

Any judgment or admitted claim against any bond or cash deposit required by this article shall constitute grounds for disciplinary action against such licensee. Such license may not be reissued or reinstated while any judgment or admitted claim in excess of the amount of the bond or cash deposit remains unsatisfied. The board shall require the licensee to file a new bond in an amount as required pursuant to Section 7071.8 or to increase his cash deposit to such an amount.

Legal fees may not be charged against the bond or cash deposit by the board.

In any case in which a claim is filed against a cash deposit held by the registrar by any employee or by an employee organization on behalf of an employee, concerning wages or fringe benefits based upon the employee's employment, claims for the nonpayment thereof shall be filed with the Labor Commissioner. The Labor Commissioner shall, pursuant to the authority vested in him by Section 96.5 of the Labor Code, conduct hearings to determine whether or not such wages or fringe benefits should be made to the complainant. Upon a finding by the commissioner that such wages or fringe benefits should be paid to the complainant, he shall notify the registrar of such findings. The registrar shall not make payment from the cash deposit on the basis of findings by the commissioner for a period of 10 days following determination of the findings. If, within such period, the complainant or the contractor files written notice with the registrar and the commissioner of an intention to seek judicial review of the findings pursuant to Section 11523 of the Government Code, the registrar shall not make payment, if an action is actually filed, except as determined by the court. If, thereafter, no action is filed within 60 days following determination of findings by the commissioner, the registrar shall make payment from the cash deposit to the complainant.

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

In order that the registrar of contractors may receive notice of payment on claims against a contractor's bond or cash deposit for possible disciplinary action which claims are presently being paid, it is necessary that this act go into immediate effect.

CHAPTER 281

An act to add Sections 25469, 25538.1 and 31000.9 to the Government Code, relating to counties.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 25469 is added to the Government Code, to read:

25469. In counties containing a population of 6,000,000 or over, the board of supervisors may by ordinance authorize such county officer as is deemed appropriate to take or perform any or all acts or actions permitted or required of the board by this article, including the authority to adopt and advertise plans and specifications, award contracts, approve bonds, or order the change or alteration of

contracts, with respect to original contracts which do not exceed the total amount of seventy-five thousand dollars ($75,000), or with respect to changes or alterations to original contracts entered into by the board where the changes or alterations do not exceed 10 percent of the amount of the original contract or seventy-five thousand dollars ($75,000), whichever is less. The aggregate total amount of such changes or alterations to an original contract may not exceed 25 percent of the amount of the original contract. Any authorization pursuant to this section shall include detailed procedures governing the county officer in the exercise of such authority.

SEC. 2. Section 25538.1 is added to the Government Code, to read:

25538.1. In counties containing a population of 6,000,000 or over, the board of supervisors may, by ordinance, authorize such county officer as is deemed appropriate to take or perform any or all acts or actions permitted or required of the board by this article and by Section 960.4 of the Streets and Highways Code with respect to the sale or lease of any real property of the county, where the estimated value of the interest to be sold, or the total rental to be paid to the county pursuant to the lease or any lease amendment, does not exceed seventy-five thousand dollars ($75,000). Any such authorization shall include detailed procedures governing the county officer in the exercise of such authority.

SEC. 3. Section 31000.9 is added to the Government Code, to read:

31000.9. In counties containing a population of 6,000,000 or over, the board of supervisors may, by ordinance, authorize such county officer as is deemed appropriate to enter into contracts for architectural, engineering, and related services for county construction projects, where the amount of the contract does not exceed seventy-five thousand dollars ($75,000), and to enter into amendments to such contracts entered into by the board where the amount of any amendment does not exceed 10 percent of the amount of the original contract or seventy-five thousand dollars ($75,000), whichever is less. The aggregate total amount of such amendments to an original contract may not exceed 25 percent of the amount of the original contract. Any such authorization shall include detailed procedures governing the county officer in the exercise of such authority.

CHAPTER 282

An act to add and repeal Section 16339.7 to the Education Code, relating to state school building aid, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 16339.7 is added to the Education Code, to read:

16339.7. Each school district which has more than one project pending approval pursuant to Section 16339 shall be apportioned not more than one million two hundred fifty thousand dollars ($1,250,000) for not more than one such project pursuant to such section under the following conditions:

(a) The district's pending applications were originally filed with the State Allocation Board prior to June 30, 1976, and were not acted upon because of a shortage of funds.

(b) There are unencumbered funds in the State School Building Aid Fund which are available for the purposes of the apportionment.

(c) The applicant district applies, as local matching funds for the project, the entire proceeds of the twenty-cent ($0.20) tax rate levied pursuant to Section 39230 for each of at least two years.

For purposes of this section, the expenditure of the proceeds of the twenty-cent ($0.20) tax levied by the district in fiscal year 1973–74 for the repair or replacement of structurally unsafe school buildings and the furnishing thereof, shall be considered as local matching funds in an application within the meaning of Section 39230.

This section is repealed as of June 30, 1979 and shall have no force or effect after that date.

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

In order that urgently needed school construction may commence at the earliest possible time it is essential that this act take effect immediately.

CHAPTER 283

An act to amend Section 44219 of the Education Code, relating to teacher preparation and licensing.

[Approved by Governor July 7, 1977 Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 44219 of the Education Code is amended to read:

44219. The commission shall meet at least once each month in no fewer than ten months each year. The chairperson, with the approval of the commission, may call additional meetings.

CHAPTER 284

An act relating to school facilities, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. The governing board of a school district which has leased stadium facilities from a chartered city, and which has awarded at least two construction or demolition contracts for the purpose of bringing such facilities into compliance with the state's structural requirements for schools, may continue to use such facilities until June 30, 1979, and such leased facilities shall not be subject to Article 3 (commencing with Section 39140) or Article 6 (commencing with Section 39210) of Chapter 2 of Part 23 of Division 3 of Title 2 of the Education Code.

This section shall apply only to a unified school district which had an average daily attendance of more than 100,000 and less than 200,000 in the 1975–76 fiscal year, and which has made plans for a joint study involving the district, the city, and the community college district serving the area in order to determine the future needs of the three agencies with regard to the stadium facilities and to develop a feasibility study and cost estimates.

This section shall remain in effect until July 1, 1979, and as of that date is repealed.

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

In order to continue the use of stadium facilities which presently serve the interscholastic athletic program of a school district and the physical education program of an adjacent high school until such time as a joint community decision is reached as to the best long-term future of such facilities, it is necessary that this act take effect immediately.

CHAPTER 285

An act to amend Section 1394 of, and to add Section 1394.1 to, the Labor Code, relating to employment of minors, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 1394 of the Labor Code is amended to read:

1394. Nothing in this article or Article 2 (commencing with Section 1290) of Chapter 2 of this part shall prohibit or prevent any of the following:

(a) The employment of minors 16 years of age or over for more than eight hours in one day or more than 48 hours in one week (i) in agricultural, horticultural, viticultural, or domestic labor; (ii) in any industry, business, or establishment operated for the purpose of grading, sorting, cleaning, drying, cooling, icing, packing, or otherwise preparing any agricultural product for distribution, including all the operations incidental thereto; or (iii) in any operation performed in a permanent fixed structure or establishment on the farm or on a moving packing plant on the farm for the purpose of preparing agricultural products for market when such operations are done on the premises owned or operated by the same employer who produced the products referred to herein, including all operations incidental thereto.

(b) Notwithstanding subdivision (a), no employer shall employ any minor 16 years of age or over in any industry, business, or establishment described in subdivision (a) for more than six hours on a day when such minor is required by law to attend school, or more than 20 hours in any school week in which the minor is required by law to attend school.

(c) The employment of any minor at agricultural, horticultural, viticultural, or domestic labor during the time the public schools are not in session, or during other than school hours, when the work performed is for or under the control of his parent or guardian and is performed upon or in connection with premises owned, operated or controlled by the parent or guardian; but nothing herein shall permit children under school age to work at such occupations, while the public schools are in session.

(d) The employment of any minor by engineers engaged in survey work as part of a survey crew in the field.

SEC. 2. Section 1394.1 is added to the Labor Code, to read:

1394.1. Subdivision (a) of Section 1394 shall not apply to the employment of any minor 16 years of age or over (i) in any industry, business, or establishment operated for the purpose of grading, sorting, cleaning, drying, cooling, icing, packing, or otherwise preparing any agricultural product for distribution, including all the operations incidental thereto, or (ii) in any operation performed in a permanent fixed structure or establishment on the farm or on a moving packing plant on the farm for the purpose of preparing agricultural products for market when such operations are done on the premises owned or operated by the same employer who produced the products referred to herein, including all operations incidental thereto, unless the minor is paid at least the adult minimum wage for all hours worked in such industry, business,

establishment, or operation.

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

In order that 16- and 17-year-old minors be permitted to work in excess of eight hours per day and 48 hours per week in industries handling agricultural products after harvest during the current season, it is necessary that this bill take immediate effect.

CHAPTER 286

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

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. The sum of seventy-five thousand dollars ($75,000) is hereby appropriated from the General Fund to the Department of Justice for the payment of the claim of Lillian M. Edwards against the State of California in the action entitled Lillian M. Edwards v. County of Los Angeles et al., No. NWC 32289, brought in the superior court for the County of Los Angeles.

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

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

CHAPTER 287

An act to amend Sections 24603, 24605, 25105, 25270.5, 25300, and 25950 of, and to add Section 112 to, the Vehicle Code, relating to vehicles.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 112 is added to the Vehicle Code, to read:

112. "Amber" has the same meaning as "yellow," and is within the chromaticity coordinate boundaries for yellow specified in regulations adopted by the Department of the California Highway Patrol.

SEC. 2. Section 24603 of the Vehicle Code is amended to read:

24603. Every motor vehicle which is not in combination with any other vehicle and every vehicle at the end of a combination of vehicles shall at all times be equipped with stoplamps mounted on the rear as follows:

(a) Every such vehicle shall be equipped with one or more stoplamps.

(b) Every such vehicle, other than a motorcycle, manufactured and first registered on or after January 1, 1958, shall be equipped with two stoplamps, except that trailers and semitrailers manufactured after July 23, 1973, which are less than 30 inches wide, may be equipped with one stoplamp which shall be mounted at or near the vertical centerline of the trailer. If such vehicle is equipped with two stoplamps, they shall be mounted as specified in subdivision (d).

(c) Stoplamps on vehicles manufactured on or after January 1, 1969, shall be mounted not lower than 15 inches nor higher than 72 inches, except that a tow car, in addition to being equipped with the required stoplamps, may also be equipped with two stoplamps which may be mounted not lower than 15 inches nor higher than the maximum allowable vehicle height and as far forward as the rearmost portion of the driver's seat in the rearmost position.

(d) Where two stoplamps are required, at least one shall be mounted at the left and one at the right side, respectively, at the same level.

(e) Stoplamps on vehicles manufactured on or after January 1, 1969, shall emit a red light. Stoplamps on vehicles manufactured before January 1, 1969, shall emit a red or amber light. Stoplamps shall be plainly visible and understandable from a distance of 300 feet to the rear both during normal sunlight and at nighttime, except that stoplamps on a vehicle of a size required to be equipped with clearance lamps shall be visible from a distance of 500 feet during such times.

(f) Stoplamps shall be actuated upon application of the service (foot) brake and the hand control head for air, vacuum, or electric brakes. In addition, all stoplamps may be activated by a mechanical device designed to function only upon sudden release of the accelerator while the vehicle is in motion. Such mechanical device shall be approved by, and comply with specifications and regulations established by, the department.

(g) Any vehicle may be equipped with supplemental stoplamps mounted to the rear of the rearmost portion of the driver's seat in its rearmost position in addition to the lamps required to be mounted on the rear of the vehicle. The supplemental stoplamp on that side of a vehicle toward which a turn will be made may flash as part of

the supplemental turn signal lamp.

SEC. 3. Section 24605 of the Vehicle Code is amended to read:

24605. (a) Tow cars used to tow a vehicle shall be equipped with and carry a taillamp, a stoplamp, turn signal lamps, and a portable electrical extension cord for use in displaying the lamps on the rear of a towed vehicle.

(b) Whenever a tow car is towing a vehicle and a stoplamp and turn signal lamps cannot be lighted and displayed on the rear of the towed vehicle, the tow car operator shall by means of an extension cord display to the rear a stoplamp and turn signal lamps mounted on the towed vehicle, except as provided in subdivision (c). During darkness, if a taillamp on the towed vehicle cannot be lighted, the tow car operator shall by means of an extension cord display to the rear a taillamp mounted on the towed vehicle. No other lighting equipment need be displayed on such towed vehicles.

(c) Whenever any motor vehicle is towing another motor vehicle, stoplamps and turn signal lamps are not required on the towed motor vehicle, but only if a stoplamp and a turn signal lamp on each side of the rear of the towing vehicle is plainly visible to the rear of the towed vehicle. This subdivision shall not apply to driveaway-towaway operations.

SEC. 4. Section 25105 of the Vehicle Code is amended to read:

25105. (a) Any motor vehicle may be equipped with running board or door-mounted courtesy lamps. The bulbs in the lamps shall not exceed six standard candlepower and shall emit either a green or white light without glare. The beams of the lamps shall not be visible to the front or rear of the vehicle.

(b) Any motor vehicle may be equipped with inside door-mounted red lamps or red reflectorizing devices or material visible to the rear of the vehicle when the doors are open. The bulbs in the lamps shall not exceed six standard candlepower.

(c) Any bus, housecar, or camper may be equipped with exterior lamps for the purpose of lighting the entrances and exits of such vehicles, which lamps may be lighted only when such vehicles are not in motion. The lamp source of such exterior lamps shall not exceed 32 standard candlepower, or 30 watts, nor project any glaring light into the eyes of an approaching driver.

SEC. 5. Section 25270.5 of the Vehicle Code is amended to read:

25270.5. Any motor vehicle engaged in, or aiding in, the herding of livestock along or across a public roadway may display flashing amber warning lights to the front, sides, or rear of the vehicle while it is stopped in the roadway near the livestock or is proceeding with the livestock along the roadway.

SEC. 6. Section 25300 of the Vehicle Code is amended to read:

25300. (a) Every vehicle which, if operated during darkness, would be subject to the provisions of Section 25100, and every truck tractor, irrespective of width, shall at all times be equipped with at least three red emergency reflectors. The reflectors need be carried by only one vehicle in a combination.

All reflectors shall be maintained in good working condition.

(b) When any such vehicle is disabled on the roadway during darkness, reflectors of the type specified in subdivision (a) shall be immediately placed as follows:

(1) One at the traffic side of the disabled vehicle, not more than 10 feet to the front or rear thereof;

(2) One at a distance of approximately 100 feet to the rear of the disabled vehicle in the center of the traffic lane occupied by such vehicle; and

(3) One at a distance of approximately 100 feet to the front of the disabled vehicle in the center of the traffic lane occupied by such vehicle.

(4) If disablement of any such vehicle occurs within 500 feet of a curve, crest of a hill, or other obstruction to view, the driver shall so place the reflectors in that direction as to afford ample warning to other users of the highway, but in no case less than 100 nor more than 500 feet from the disabled vehicle.

(5) If disablement of the vehicle occurs upon any roadway of a divided or one-way highway, the driver shall place one reflector at a distance of approximately 200 feet and one such reflector at a distance of approximately 100 feet to the rear of the vehicle in the center of the lane occupied by the stopped vehicle, and one such reflector at the traffic side of the vehicle not more than 10 feet to the rear of the vehicle.

(c) When any such vehicle is disabled or parked off the roadway but within 10 feet thereof during darkness, warning reflectors of the type specified in subdivision (a) shall be immediately placed by the driver as follows: one at a distance of approximately 200 feet and one at a distance of approximately 100 feet to the rear of the vehicle, and one at the traffic side of the vehicle not more than 10 feet to the rear of the vehicle. The reflectors shall, if possible, be placed between the edge of the roadway and the vehicle, but in no event less than two feet to the left of the widest portion of the vehicle or load thereon.

(d) Until the reflectors required by this section can be placed properly, the requirements of this section may be complied with temporarily by either placing lighted red fusees in the required locations or by use of turn signal lamps, but only if front turn signal lamps at each side are being flashed simultaneously and rear turn signal lamps at each side are being flashed simultaneously.

(e) The reflectors shall be displayed continuously during darkness while the vehicle remains disabled upon the roadway or parked or disabled within 10 feet thereof.

(f) Subdivisions (b), (c), (d), and (e) do not apply to a vehicle under either of the following circumstances:

(1) Parked in a legal position within the corporate limits of any city.

(2) Parked in a legal position upon a roadway bounded by adjacent curbs.

SEC. 7. Section 25950 of the Vehicle Code is amended to read:

25950. Unless provided otherwise, the color of lamps and reflectors upon a vehicle shall be as follows:

(a) All lamps and reflectors visible from in front of a vehicle shall be white or yellow, except as follows:

(1) Rear side-marker lamps required by Section 25100 may show red to the front.

(2) The color of foglamps described in Section 24403 may be in the color spectrum from white to yellow.

(b) All lamps and reflectors visible from the rear of a vehicle shall be red, except that stoplamps on vehicles manufactured before January 1, 1969, and turn signal lamps and front side-marker lamps required by Section 25100, may show yellow to the rear.

This section applies to the color of a lamp whether lighted or unlighted, and to any reflector exhibiting or reflecting perceptible light of 0.05 candlepower or more per foot-candle of incident illumination, except that taillamps, stoplamps, and turn signal lamps that are visible to the rear may be white when unlighted on vehicles manufactured before January 1, 1974. Any taillamp, stoplamp, or turn signal lamp may have an unlighted lens color that is darker than the lighted color, and any such lamps that are in addition to the minimum required number may be white or yellow when unlighted.

SEC. 8. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local governmental entities which, in the aggregate, do not result in significant, identifiable cost changes.

CHAPTER 288

An act to amend Section 8825 of the Health and Safety Code, relating to cemeteries.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 8825 of the Health and Safety Code is amended to read:

8825. A city or county having a nonendowment care cemetery within its boundaries which threatens or endangers the health, safety, comfort or welfare of the public may, by resolution of its governing board, if not more than 10 human dead bodies have been interred therein for a period of five years immediately preceding the date of the resolution, declare the abandonment of the cemetery as

a place of future interment, but shall permit interment therein of any person who is an owner of a plot in the cemetery on the date of adoption of the resolution or who otherwise has a right of interment in the cemetery which is vested on such date. The resolution may provide for the removal of such copings, improvements, and embellishments which the governing board finds to be a threat or danger to the health, safety, comfort, or welfare of the public.

CHAPTER 289

An act to amend Section 41704 of the Health and Safety Code, relating to air pollution.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 41704 of the Health and Safety Code, as added by Chapter 957 of the Statutes of 1975, is amended to read:

41704. Section 41701 shall not apply to:

(a) Fires set pursuant to Section 41801.

(b) Agricultural burning for which a permit has been granted pursuant to Article 3 (commencing with Section 41850).

(c) Fires set or permitted by any public officer in the performance of his official duty for the improvement of watershed, range, or pasture.

(d) Use of any aircraft to distribute seed, fertilizer, insecticides, or other agricultural aids over lands devoted to the growing of crops or raising of fowl or animals.

(e) Open outdoor fires used only for cooking of food for human beings or for recreational purposes.

(f) The use of orchard and citrus grove heaters which are in compliance with the requirements set forth in Section 41860.

(g) Agricultural operations necessary for the growing of crops or raising of fowl or animals.

(h) The use of other equipment in agricultural operations necessary for the growing of crops or raising of fowl or animals.

(i) Fugitive dust emissions from rock crushing facilities within the Southeast Desert Air Basin, where such facilities were in existence prior to January 1, 1970, at a location where the population density is less than 10 persons per square mile in each square mile within a seven-mile radius of the facilities; provided, however, that under no circumstances shall such emissions cause a measurable degradation of the ambient air quality or create a nuisance. This subdivision shall not apply to any such rock crushing facilities which (1) process in excess of 100 tons of rock in any 24-hour period, averaged over any period of 30 consecutive days, (2) have 25 or more employees, (3)

fail to operate and maintain in good working order any emission control equipment installed prior to the effective date of this act, or (4) undergo a change of ownership after January 1, 1977.

CHAPTER 290

An act to add Section 15.4 to the Desert Water Agency Law (Chapter 1069 of the Statutes of 1961), relating to the Desert Water Agency.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 15.4 is added to the Desert Water Agency Law (Chapter 1069 of the Statutes of 1961) to read:

Sec. 15.4. The agency shall have the power to levy and collect water-replenishment assessments, as provided in this section, for the purpose of replenishing ground water supplies within the agency.

(a) As used in this section:

(1) "Annual" or "year" means a calendar year unless the context indicates a contrary meaning.

(2) "Fiscal year" means the period of July 1 through June 30, inclusive.

(3) "Production" or "produce" means the extraction of ground water by pumping or any other method within the boundaries of the agency, or the diversion within the agency of surface supplies which naturally replenish the ground water supplies within the agency and are used therein.

(4) "Producer" means any individual, partnership, association or group of individuals, lessee, firm, private corporation, or any public agency or public corporation, including, but not limited to, the Desert Water Agency.

(5) "Minimal pumper" means any producer who produces 10 or fewer acre feet in any year.

(6) "Supplemental water" means water from the State Water Resources Development System, or from the Colorado River Aqueduct of the Metropolitan Water District of Southern California, or from any other source which is not part of the natural replenishment of the ground water supplies within the agency, including reclaimed water.

(b) By May 1 of each year the board shall cause to be prepared and presented to it an engineering survey and report concerning the ground water supplies within the agency. Such report shall include the condition of such ground water supplies, the need for replenishment, and recommendations for any replenishment program, including the source and amount of replenishment water

and the cost of purchasing, transporting and spreading such water. In connection with any proposed replenishment program, the report shall also describe the area or areas benefited, either directly or indirectly, the amount of water production in each such area during the prior year, and shall recommend the amount of assessment to be levied upon all production within such area or areas of benefit.

(c) If the board determines that funds should be raised by a replenishment assessment, it shall call a public hearing, and shall publish notice at least 10 days in advance thereof pursuant to Section 6061 of the Government Code. Notice shall also be mailed by the agency to all producers as disclosed by the records of the agency who may be affected by the recommended assessment. Failure of any affected producers to receive such notice shall not affect the validity of any subsequent replenishment assessment. The notice shall contain the time and place of the hearing, a generalized or common description of each area of benefit, the amount of each recommended replenishment assessment, and an invitation to all interested parties to attend and be heard in support of or in opposition to the proposed assessment. The notice shall also state that a copy of the engineering report is available for inspection at the office of the agency.

(d) The hearing shall be held before the board and a quorum shall be present. The hearing may be adjourned from time to time by the president. All evidence relevant to the engineering survey and report, the recommendation that a replenishment assessment pursuant to this section be levied, and the determination of the area benefited by such assessment and replenishment program, may be introduced. Upon completion of the hearing, the board shall, by resolution, make specific findings on all facts relevant and material to the purposes for which a replenishment assessment, if any, may be levied under this section. In the event the agency establishes a replenishment program and levies assessments hereunder, and such program is continued in subsequent years without substantial change and at the same rate of assessment, the board may dispense with the notice, hearing and findings required by subdivisions (c) and (d).

(e) Before July 1 of each year, the board may by resolution levy a replenishment assessment upon all water production during the following fiscal year within each area of benefit as determined by the board. The assessment within each area of benefit shall be at a uniform rate per acre-foot. The resolution shall also state the time or times at which such assessment shall be due and payable, which may be in convenient installments as determined by the board.

(f) The amount of any replenishment assessment levied shall be in the discretion of the board, provided that no such assessment shall exceed the variable operation, maintenance, power and replacement components of the transportation charges, and the delta water charges, applicable at the time of the levy under the contract between the agency and the State of California for an imported water supply from the State Water Resources

Development System.

(g) Minimal pumpers may be excluded from the engineering survey and report on water production, and they shall be exempt from any replenishment assessments and reporting provisions under this section.

(h) The agency, after the levying of any replenishment assessment, shall give notice thereof to all affected producers as disclosed by the records of the agency. Such notice shall state the rate of assessment for each acre-foot of production during the fiscal year for which the assessment has been levied, and the dates when the assessment or installments thereof are due and payable. The notice shall be sent by first-class mail with the postage prepaid by the district.

(i) Except as provided in subdivision (k), each producer, on or before the dates when the assessment or installments thereof are due and payable, shall file with the agency a sworn statement setting forth the total quantity of water production in acre-feet which are subject to the replenishment assessment. Such production shall be reported as of the end of the month immediately preceding the payment date. The statement shall be on a form prepared by the agency, and to the extent practicable, shall identify separately the production from each well or other water-producing facility. The statement shall also include a general description or number locating such well or water-producing facility, the method or basis of the measurement or computation of production, and such other information as the agency may require.

(j) Any replenishment assessment levied pursuant to this section shall be due and payable to the agency at the time or times determined by the agency and stated in the notice of levy, and shall accompany the statement required from each producer.

(k) If the agency has an agreement with any producer whereby the agency regularly reads and maintains the water-measuring devices which record the production of such producer, the producer shall be exempt from the provisions of subdivision (i). In lieu thereof, the agency shall send such producer notice of its production and the amount of the replenishment assessment or installment due.

(*l*) If any producer subject to a replenishment assessment, after notice has been given pursuant to subdivision (h), shall fail to pay a replenishment assessment or installment thereof when due, such producer shall become liable to the agency for interest at the rate of 1 percent per month on the delinquent amount.

(m) Should any producer, subject to a replenishment assessment, knowingly fail to file the water-production statement, such producer shall, in addition to interest as provided in subdivision (*l*), become liable to the agency for a penalty of one hundred fifty dollars ($150).

(n) If the agency has probable cause to believe that the production by any producer is unreported or, if reported, is substantially in excess of that disclosed by the statement filed by such producer, the agency shall cause an investigation and report to be

made concerning such production. The board shall thereupon determine and fix the correct amount of production for any such producer, and give written notice thereof. Any such determination made by the board shall be binding upon the producer, and the replenishment assessments based thereon together with interest and penalties shall be payable immediately, unless the producer shall file with the board within 10 days after the mailing of such notice a written protest setting forth the grounds of protest. Upon the filing of such protest, the board shall hold a hearing at which time the total amount of production and the replenishment assessment shall be determined, and the interest and penalties fixed, which action shall be conclusive if based upon substantial evidence. A notice of such hearing shall be mailed to the protestant at least 10 days before the date fixed for the hearing. Notice of the determination by the board shall be mailed to the protestant. The producer shall have 20 days from the date of mailing of such notice to pay the replenishment assessment, interest, and penalties so fixed by the board.

(o) The agency may, in any court having jurisdiction, bring suit against any producer to enjoin any water production in violation of any of the provisions of this section, and to collect any delinquent replenishment assessments, interest or penalties. The court may award interest, costs and attorney's fees on any judgment.

(p) It shall be unlawful to produce water from within any area of benefit after one year following the levy of a replenishment assessment within such area, unless the well or other water-producing facility producing such water shall have a water-measuring device affixed thereto which is capable of measuring and registering the accumulated amount of water produced. The provisions of this subdivision shall not be applicable to minimal pumpers. Violation thereof shall be punishable by a fine not to exceed three hundred dollars ($300), or by imprisonment in the county jail not to exceed 30 days, or by both such fine and imprisonment.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because this act is in accordance with the request of a local government entity or entities which desires legislative authority to carry out the program specified in this act.

CHAPTER 291

An act to amend Section 6505.5 of the Government Code, relating to joint exercise of powers.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 6505.5 of the Government Code is amended to read:

6505.5. If a separate agency or entity is created by the agreement, the agreement shall designate the treasurer of one of the contracting parties, or in lieu thereof, the county treasurer of a county in which one of the contracting parties is situated, or a certified public accountant to be the depositary and have custody of all the money of the agency or entity, from whatever source.

The treasurer or certified public accountant so designated shall:

(a) Receive and receipt for all money of the agency or entity and place it in the treasury of the treasurer so designated to the credit of the agency or entity;

(b) Be responsible upon his official bond for the safekeeping and disbursement of all agency or entity money so held by him;

(c) Pay, when due, out of money of the agency or entity so held by him, all sums payable on outstanding bonds and coupons of the agency or entity;

(d) Pay any other sums due from the agency or entity from agency or entity money, or any portion thereof, only upon warrants of the public officer performing the functions of auditor or controller who has been designated by the agreement; and

(e) Verify and report in writing on the first day of July, October, January, and April of each year to the agency or entity and to the contracting parties to the agreement the amount of money he holds for the agency or entity, the amount of receipts since his last report, and the amount paid out since his last report.

The officer performing the functions of auditor or controller shall be of the same public agency as the treasurer designated depositary pursuant to this section. However, where a certified public accountant has been designated as treasurer of the entity, the auditor of one of the contracting parties or of a county in which one of the contracting parties is located shall be designated as auditor of the entity. The auditor shall draw warrants to pay demands against the agency or entity when the demands have been approved by any person authorized to so approve in the agreement creating the agency or entity.

The governing body of the same public entity as the treasurer and auditor specified pursuant to this section shall determine charges to be made against the agency or entity for the services of the treasurer and auditor. However, where a certified public accountant has been designated as treasurer, the governing body of the same public entity as the auditor specified pursuant to this section shall determine charges to be made against the agency or entity for the services of the auditor.

CHAPTER 292

An act to add Section 125.7 to the Business and Professions Code, relating to temporary restraining orders.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 125.7 is added to the Business and Professions Code, to read:

125.7. In addition to the remedy provided for in Section 125.5, the superior court for the county in which any licensee licensed under Division 2 (commencing with Section 500), or any initiative act referred to in such division, has engaged or is about to engage in any act which constitutes a violation of a chapter of this code administered or enforced by a board referred to in Division 2, may, upon a petition filed by the board and accompanied by an affidavit or affidavits in support thereof and a memorandum of points and authorities, issue a temporary restraining order or other appropriate order restraining the licensee from engaging in the business or profession for which the person is licensed or from any part thereof, in accordance with the provisions of this section.

(a) If the affidavits in support of the petition show that the licensee has engaged or is about to engage in acts or omissions constituting a violation of a chapter of this code and if the court is satisfied that permitting the licensee to continue to engage in the business or profession for which the license was issued will endanger the public health, safety, or welfare, the court may issue an order temporarily restraining the licensee from engaging in the profession for which he is licensed.

(b) Such order may not be issued without notice to the licensee unless it appears from facts shown by the affidavits that serious injury would result to the public before the matter can be heard on notice.

(c) Except as otherwise specifically provided by this section, proceedings under this section shall be governed by Chapter 3 (commencing with Section 525) of Title 7 of Part 2 of the Code of Civil Procedure, except that no undertaking shall be required.

(d) When a restraining order is issued pursuant to this section, or within a time to be allowed by the superior court, but in any case not more than 30 days after the restraining order is issued, an accusation shall be filed with the board pursuant to Section 11503 of the Government Code. The accusation shall be served upon the licensee as provided by Section 11505 of the Government Code. The licensee shall have all of the rights and privileges available as specified in Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code; however, if the licensee requests a hearing on the accusation, the board must provide the licensee with

a hearing within 30 days of the request and a decision within 15 days of the date of the conclusion of the hearing, or the court may nullify the restraining order previously issued. Any restraining order issued pursuant to this section shall be dissolved by operation of law at such time the board's decision is subject to judicial review pursuant to Section 1094.5 of the Code of Civil Procedure.

CHAPTER 293

An act to amend Section 125.6 of the Business and Professions Code, relating to discrimination in the performance of licensed activities.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 125.6 of the Business and Professions Code is amended to read:

125.6. Every person who holds a license under the provisions of this code is subject to disciplinary action under the disciplinary provisions of this code applicable to such person if, because of the applicant's race, color, sex, religion, ancestry, physical handicap, or national origin, he or she refuses to perform the licensed activity or aids or incites the refusal to perform such licensed activity by another licensee, or if, because of the applicant's race, color, sex, religion, ancestry, physical handicap or national origin, he or she makes any discrimination, or restriction in the performance of the licensed activity. Nothing in this section shall be interpreted to apply to discrimination by employers with regard to employees or prospective employees, nor shall this section authorize action against any club license issued pursuant to Article 4 (commencing with Section 23425) of Chapter 3 of Division 9 because of discriminatory membership policy. The presence of architectural barriers to the physically handicapped person which conform to applicable state or local building codes and regulations shall not constitute discrimination under this section.

It shall not constitute discrimination under this section for a person licensed pursuant to Division 2 (commencing with Section 500) to refuse to perform a licensed activity if the licensee determines that because of the relation between the licensed activity sought and the physical handicap, the licensed activity sought is beyond the licensee's skill, or could better be performed by another licensee.

"License," as used in this section, includes "certificate," "permit," "authority," and "registration" or any other indicia giving authorization to engage in a business or profession regulated by this code.

"Applicant," as used in this section means a person applying for licensed services provided by a person licensed under this code.

"Physical handicap" as used in this section includes impairment of sight, hearing or speech, or impairment of physical ability because of amputation or loss of function or coordination, or any other health impairment which requires special education or related services.

CHAPTER 294

An act to amend Section 23357 of the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 23357 of the Business and Professions Code is amended to read:

23357. Licensed beer manufacturers may also sell beer to any person holding a license authorizing the sale of beer and may sell beer to consumers for consumption on the manufacturer's licensed premises or on premises owned by the manufacturer which are contiguous to the licensed premises and which are operated by and for the manufacturer.

CHAPTER 295

An act to amend Sections 430 and 431 of the Military and Veterans Code, relating to armories.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 430 of the Military and Veterans Code is amended to read:

430. As used in this article, "armory" means and includes any building or portion thereof, rifle range, camp site, airport, arsenal, vessel, quarters, accommodations, or training facilities devoted to the use of the militia.

SEC. 2. Section 431 of the Military and Veterans Code is amended to read:

431. The Adjutant General shall have the power to, either directly or through armory boards, or through subordinate commanders, lease or otherwise authorize the use of, by any person for any lawful

purpose, manage, supervise all activities in, perform all necessary military duties with respect to and control all armories that are built or acquired by the state, that come into possession or control of the state, or that are erected, purchased, leased, or provided or contributed to in whole or in part by any city or county, or other political subdivision of the state or public corporation or district or by anyone for armory purposes. All revenues or income from any armory shall be paid to the Adjutant General. The Adjutant General shall account for such revenues or income to the Controller at the close of each month in such form as the Controller prescribes, and on order of the Controller shall pay such revenues and income into the Treasury to the credit of the General Fund. Post, welfare or similar unit or organizational funds may be established and deposited pursuant to rules and regulations adopted by the Adjutant General. The Adjutant General, on May 1st of each year, shall submit to the Department of General Services and obtain approval of a schedule of rental, license or lease fees for each state-owned or leased armory by location. This schedule, when approved by the Department of General Services, shall be used by the Adjutant General during the next succeeding fiscal year to determine the minimum rental, license, or lease fees to be charged the renter, licensee, or lessor.

CHAPTER 296

An act to amend Section 666 of the Penal Code, relating to shoplifting, declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 666 of the Penal Code is amended to read:

666. Every person who, having been convicted of petit theft, grand theft, burglary, or robbery and having served a term therefor in any penal institution or having been imprisoned therein as a condition of probation for such offense, is subsequently convicted of petit theft, then the person convicted of such subsequent offense is punishable by imprisonment in the county jail not exceeding one year, or in the state prison.

SEC. 2. This act shall become operative July 1, 1977.

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

In order to coincide with the operative date of the Uniform Determinate Sentencing Act of 1976 and to supplement the

provisions of such act regarding petit theft, it is necessary that the provisions of this act go into immediate effect.

CHAPTER 297

An act to amend Sections 3714, 3783, 3787, 4015, 5013 and 5157 of the Elections Code and Sections 5452 and 5455 of the Education Code, relating to ballot arguments.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 3714 of the Elections Code is amended to read:

3714. The persons filing an initiative petition pursuant to this article may file with the petition a written argument in favor of the ordinance. The board of supervisors may submit an argument against the ordinance. Neither argument shall exceed 300 words in length.

The county clerk shall cause an argument for the measure, if submitted, and an argument against the measure, if submitted, to be printed and shall enclose a copy of both arguments, printed on the same sheet of paper, in an envelope with each sample ballot. Such printed arguments are "official matter" within the meaning of those words used in Section 10010.

The following statement shall be printed on the front cover or, if none, on the heading of the first page of the printed arguments:

"Arguments in support of or in opposition to the proposed laws are the opinions of the authors."

Printed arguments submitted to voters in accordance with this section shall be titled either "Argument In Favor Of Measure _____" or "Argument Against Measure _____," accordingly, the blank spaces being filled in only with the letter or number, if any, which designates the measure. At the discretion of the county clerk, the word "Proposition" may be substituted for the word "Measure" in such titles. Words used in the title shall not be counted when determining the length of any argument.

SEC. 2. Section 3783 of the Elections Code is amended to read:

3783. The board of supervisors or any member or members of the board authorized by the board, or any individual voter or bona fide association of citizens, or any combination of such voters and associations may file a written argument for or against any county measure. No argument shall exceed 300 words in length. The county clerk shall cause an argument for and an argument against the measure, and the analysis of the measure, to be printed, and shall enclose a copy of both arguments preceded by the analysis with each sample ballot. The printed arguments and the analysis are "official

matter" within the meaning of those words used in Section 10010.

The following statement shall be printed on the front cover, or if none, on the heading of the first page, of the printed arguments:

"Arguments in support of or in opposition to the proposed laws are the opinions of the authors."

Printed arguments submitted to voters in accordance with this section shall be titled either "Argument In Favor Of Measure _____" or "Argument Against Measure _____," accordingly, the blank spaces being filled in only with the letter or number, if any, which designates the measure. At the discretion of the county clerk, the word "Proposition" may be substituted for the word "Measure" in such titles. Words used in the title shall not be counted when determining the length of any argument.

SEC. 3. Section 3787 of the Elections Code is amended to read:

3787. When the county clerk has selected the arguments for and against the measure which will be printed and distributed to the voters, the clerk shall send copies of the argument in favor of the measure to the authors of the argument against, and copies of the argument against to the authors of the argument in favor. The authors may prepare and submit rebuttal arguments not exceeding 250 words. The rebuttal arguments must be filed with the county clerk not more than 10 days after the final date for filing direct arguments. Rebuttal arguments shall be printed in the same manner as the direct arguments. Each rebuttal argument shall immediately follow the direct argument which it seeks to rebut and shall be titled "Rebuttal To Argument In Favor Of Measure (or Proposition) _____" or "Rebuttal To Argument Against Measure (or Proposition) _____," the blank spaces being filled in only with the letter or number, if any, which designates the measure. Words used in the title shall not be counted when determining the length of any rebuttal argument.

SEC. 4. Section 4015 of the Elections Code is amended to read:

4015. The persons filing an initiative petition pursuant to this article may file a written argument in favor of the ordinance, and the legislative body may submit an argument against the ordinance. Neither argument shall exceed 300 words in length, and both arguments shall be printed upon the same sheet of paper and mailed to each voter with the sample ballot for the election.

The following statement shall be printed on the front cover, or if none, on the heading of the first page, of the printed arguments:

"Arguments in support of or in opposition to the proposed laws are the opinions of the authors."

Printed arguments submitted to voters in accordance with this section shall be titled either "Argument In Favor Of Measure _____" or "Argument Against Measure _____," accordingly, the blank spaces being filled in only with the letter or number, if any, which designates the measure. At the discretion of the clerk, the word "Proposition" may be substituted for the word "Measure" in such titles. Words used in the title shall not be counted when

determining the length of any argument.

SEC. 5. Section 5013 of the Elections Code is amended to read:

5013. The legislative body, or any member or members of the legislative body authorized by that body, or any individual voter or bona fide association of citizens, or any combination of voters and associations, may file a written argument for or against any city measure. No argument shall exceed 300 words in length. The city clerk shall cause an argument for and an argument against the measure to be printed along with the following statement on the front cover, or if none, on the heading of the first page, of the printed arguments:

"Arguments in support or opposition of the proposed laws are the opinions of the authors."

The city clerk shall enclose a printed copy of both arguments with each sample ballot; provided, that only those arguments filed pursuant to this section shall be printed and enclosed with the sample ballot. The printed arguments are "official matter" within the meaning of those words used in Section 10010.

Printed arguments submitted to voters in accordance with this section shall be titled either "Argument In Favor Of Measure _____" or "Argument Against Measure _____," accordingly, the blank spaces being filled in only with the letter or number, if any, which designates the measure. At the discretion of the clerk, the word "Proposition" may be substituted for the word "Measure" in such titles. Words used in the title shall not be counted when determining the length of any argument.

SEC. 6. Section 5157 of the Elections Code is amended to read:

5157. The persons filing an initiative petition pursuant to this article may file with the petition a written argument in favor of the ordinance. The district board may submit an argument against the ordinance. Neither argument shall exceed 300 words in length, and both arguments shall be printed and mailed to each voter with the sample ballot for the election.

The following statement shall be printed on the front cover, or if none, on the heading of the first page, of the printed arguments:

"Arguments in support of or in opposition to the proposed laws are the opinions of the authors."

Printed arguments submitted to voters in accordance with this section shall be titled either "Argument In Favor Of Measure _____" or "Argument Against Measure _____," accordingly, the blank spaces being filled in only with the letter or number, if any, which designates the measure. At the discretion of the clerk, the word "Proposition" may be substituted for the word "Measure" in such titles. Words used in the title shall not be counted when determining the length of any argument.

SEC. 7. Section 5452 of the Education Code is amended to read:

5452. The governing board of the district or any member or members of the board authorized by the board, or any individual voter or bona fide association of citizens, or any combination of such

voters and associations may file a written argument for or against any school measure. No argument shall exceed 300 words in length. No more than five signatures shall appear with any argument submitted under this section. If an argument is signed by more than five persons, the names of only the first five persons signing, determined by the order in which their signatures appear, shall be printed with the argument. The person conducting the election shall cause an argument for and an argument against the measure to be printed, and shall transmit the arguments to the voters with the card giving notice of the election.

Printed arguments submitted to voters in accordance with this section shall be titled either "Argument In Favor Of Measure _____" or "Argument Against Measure _____," accordingly, the blank spaces being filled in only with the letter or number, if any, which designates the measure. At the discretion of the clerk, the word "Proposition" may be substituted for the word "Measure" in such titles. Words used in the title shall not be counted when determining the length of any measure.

SEC. 8. Section 5455 of the Education Code is amended to read:

5455. When the person conducting the election has selected the arguments for and against the measure which will be printed and distributed to the voters, he shall send copies of the argument in favor of the measure to the authors of the argument against, and copies of the argument against to the authors of the argument in favor.

The authors may prepare and submit rebuttal arguments not exceeding 250 words.

The rebuttal arguments shall be filed with the county clerk not more than 10 days after the final date for filing direct arguments. Rebuttal arguments shall be printed in the same manner as the direct arguments. Each rebuttal argument shall immediately follow the direct argument which it seeks to rebut and shall be titled "Rebuttal To Argument In Favor Of Measure (or Proposition) _____" or "Rebuttal To Argument Against Measure (or Proposition) _____," the blank spaces being filled in only with the letter or number, if any, which designates the measure. Words used in the title shall not be counted when determining the length of any rebuttal argument.

CHAPTER 298

An act to amend Section 408.1 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 408.1 of the Revenue and Taxation Code is amended to read:

408.1. (a) The assessor shall maintain a list of transfers of any interest in property, other than undivided interests, within the county, which have occurred within the preceding two-year period.

(b) The list shall be divided into geographical areas and shall be revised on the 30th day of each calendar quarter to include all such transactions which are recorded as of the preceding quarter.

(c) The list shall contain the following information:

(1) Transferor and transferee, if available;

(2) Assessor's parcel number;

(3) Address of the sales property;

(4) Date of transfer;

(5) Date of recording and recording reference number;

(6) Where it is known by the assessor, the consideration paid for such property; and

(7) Additional information which the assessor in his discretion may wish to add to carry out the purpose and intent of this section. Other than sales information, the assessor shall not include information on the list which relates to the business or business affairs of the owner of the property, information concerning the business carried on upon the subject property, or the income or income stream generated by the property.

(d) The list shall be open to inspection by any assessee who has filed a timely application for reduction of his assessment before the local board of equalization or assessment appeals board at the assessor's office, upon payment of a nonrefundable fee established below:

(1) For any application for an inspection prior to January 1, 1980, a fee of ten dollars ($10).

(2) For any application for an inspection on or after January 1, 1980, a fee equal to an amount which would reimburse local agencies for their actual administrative costs incurred in such inspections as determined by the Legislative Analyst pursuant to the study of such administrative costs covering the first 24 months immediately following the effective date of this section.

(e) The provisions of this section shall not apply to any county with a population of under 50,000 people, as determined by the 1970 federal decennial census.

CHAPTER 299

An act to add Chapter 5 (commencing with Section 17200) to Part 2 of Division 7 of the Business and Professions Code, and to amend Section 3369 of, and to repeal Sections 3370.1 and 3370.2 of, the Civil Code, relating to unfair competition.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Chapter 5 (commencing with Section 17200) is added to Part 2 of Division 7 of the Business and Professions Code, to read:

CHAPTER 5. ENFORCEMENT

17200. As used in this chapter, unfair competition shall mean and include unlawful, unfair or fraudulent business practice and unfair, deceptive, untrue or misleading advertising and any act prohibited by Chapter 1 (commencing with Section 17500) of Part 3 of Division 7 of the Business and Professions Code.

17201. As used in this chapter, the term person shall mean and include natural persons, corporations, firms, partnerships, joint stock companies, associations and other organizations of persons.

17202. Notwithstanding Section 3369 of the Civil Code, specific or preventive relief may be granted to enforce a penalty, forfeiture, or penal law in a case of unfair competition.

17203. Any person performing or proposing to perform an act of unfair competition within this state may be enjoined in any court of competent jurisdiction. The court may make such orders or judgments, including the appointment of a receiver, as may be necessary to prevent the use or employment by any person of any practice which constitutes unfair competition, as defined in this chapter, or as may be necessary to restore to any person in interest any money or property, real or personal, which may have been acquired by means of such unfair competition.

17204. Actions for injunction pursuant to this chapter may be prosecuted by the Attorney General or any district attorney or any city attorney of a city having a population in excess of 750,000, and, with the consent of the district attorney, by a city prosecutor in any city or city and county having a full-time city prosecutor in the name of the people of the State of California upon their own complaint or upon the complaint of any board, officer, person, corporation or association or by any person acting for the interests of itself, its members or the general public.

17205. Unless otherwise expressly provided, the remedies or penalties provided by this chapter are cumulative to each other and to the remedies or penalties available under all other laws of this state.

17206. Any person who violates any provision of this chapter shall be liable for a civil penalty not to exceed two thousand five hundred dollars ($2,500) for each violation, which shall be assessed and recovered in a civil action brought in the name of the people of the State of California by the Attorney General or by any district attorney or any city attorney of a city having a population in excess

of 750,000, and, with the consent of the district attorney, by a city prosecutor in any city or city and county having a full-time city prosecutor in any court of competent jurisdiction. If brought by the Attorney General, one-half of the penalty collected shall be paid to the treasurer of the county in which the judgment was entered, and one-half to the State General Fund. If brought by a district attorney, the penalty collected shall be paid to the treasurer of the county in which the judgment was entered. If brought by a city attorney or city prosecutor, one-half of the penalty collected shall be paid to the treasurer of the city in which the judgment was entered, and one-half to the treasurer of the county in which the judgment was entered.

17207. (a) Any person who intentionally violates any injunction prohibiting unfair competition issued pursuant to Section 17203 shall be liable for a civil penalty not to exceed six thousand dollars ($6,000) for each violation. Where the conduct constituting a violation is of a continuing nature, each day of such conduct is a separate and distinct violation. In determining the amount of the civil penalty, the court shall consider all relevant circumstances, including, but not limited to, the extent of the harm caused by the conduct constituting a violation, the nature and persistence of such conduct, the length of time over which the conduct occurred, the assets, liabilities, and net worth of the person, whether corporate or individual, and any corrective action taken by the defendant.

(b) The civil penalty prescribed by this section shall be assessed and recovered in a civil action brought in any county in which the violation occurs or where the injunction was issued in the name of the people of the State of California by the Attorney General or by any district attorney, or any city attorney in any court of competent jurisdiction within his jurisdiction without regard to the county from which the original injunction was issued. An action brought pursuant to this section to recover such civil penalties shall take precedence over all civil matters on the calendar of the court except those matters to which equal precedence on the calendar is granted by law.

(c) If such an action is brought by the Attorney General, one-half of the penalty collected pursuant to this section shall be paid to the treasurer of the county in which the judgment was entered, and one-half to the State Treasurer. If brought by a district attorney the entire amount of the penalty collected shall be paid to the treasurer of the county in which the judgment is entered. If brought by a city attorney or city prosecutor, one-half of the penalty shall be paid to the treasurer of the county in which the judgment was entered and one-half to the city.

17208. Any action to enforce any cause of action pursuant to this chapter shall be commenced within four years after the cause of action accrued. No cause of action barred under existing law on the effective date of this section shall be revived by its enactment.

SEC. 2. Section 3369 of the Civil Code is amended to read:

3369. Neither specific nor preventive relief can be granted to

enforce a penalty or forfeiture in any case, nor to enforce a penal law, except in a case of nuisance or as otherwise provided by law.

SEC. 3. Section 3370.1 of the Civil Code is repealed.

SEC. 4. Section 3370.2 of the Civil Code is repealed.

CHAPTER 300

An act relating to the Planada Elementary School District, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. The Planada Elementary School District maintains Planada Elementary School serving the Town of Planada and surrounding areas.

Due to unforeseen delays in the sale of bonds for the construction of needed new facilities, the district is presently using a converted barracks building for classroom facilities which has been inspected and found not to conform to the structural standards prescribed pursuant to the Field Act.

It is estimated that the new school facilities which basically consist of five classrooms will be completed and ready for occupancy no later than March 1, 1978. It is necessary that the converted barracks building which will be replaced continue to be utilized until completion of the new school facilities, and the Legislature finds that it would be highly disruptive and disadvantageous for the affected pupils, as well as creating a burden on the school district, to require the converted barracks building to be in disuse pending the completion of the new school facilities. In enacting this act the Legislature intends to alleviate such unnecessary hardship.

SEC. 2. The governing board of the Planada Elementary School District may continue to use the converted barracks building until new school facilities that are being constructed to replace such building are completed, or until March 1, 1978, whichever occurs earlier. During such period of continued use, the converted barracks building shall not be subject to any of the provisions of Article 4 (commencing with Section 15451) or Article 5 (commencing with Section 15501) of Chapter 2 of Division 11 of the Education Code, or Article 3 (commencing with Section 39140) or Article 6 (commencing with Section 39210) of Chapter 2 of Part 23 of Division 3 of the Education Code as enacted by Chapter 1010 of the Statutes of 1976.

SEC. 3. Due to the unique circumstances concerning the construction of new school facilities in the Planada Elementary School District, as partially set forth in Section 1 of this act, and the

limited nature of the exemption provided for in Section 2 of this act, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the Constitution.

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

In order that a converted barracks building which is presently serving the needs of pupils of the Planada Elementary School District may continue to be utilized without interruption while new school facilities are being constructed, it is necessary that this act take effect immediately.

SEC. 5. This act shall remain in effect only until March 1, 1978, and on that date is repealed.

CHAPTER 301

An act relating to the Clovis Unified School District, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Notwithstanding Sections 39307, 39308, 39311, 39312, and 39313 of the Education Code, the governing board of the Clovis Unified School District may enter into leases or agreements pursuant to Article 2 (commencing with Section 39300) of Chapter 3 of Part 23 of the Education Code for the construction, acquisition, operation, or maintenance of athletic, physical education, and cultural facilities.

SEC. 2. On November 4, 1975, an election was held in the Clovis Unified School District pursuant to former Section 20803.2 of the Education Code to increase the revenue limit of the district for an unspecified number of school years commencing with the 1976–77 school year for the construction, acquisition, operation, and maintenance of athletic, physical education, and cultural facilities. The voters of the district approved the revenue limit increase. However, due to escalating costs, the governing board of the Clovis Unified School District now determines that in certain instances it would be more advantageous to lease or lease-purchase such facilities. Due to the unique circumstances concerning the construction, acquisition, operation, and maintenances of such facilities, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the Constitution.

SEC. 3. This act shall remain in effect until three years after the date in which this act takes effect, and as of that date is repealed.

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

In order that additional school buildings and facilities may be made available at the earliest possible time where the voters have approved an increase in the maximum revenue limit of a school district for the construction, acquisition, operation, and maintenance of similar school buildings or facilities it is essential that this act take immediate effect.

CHAPTER 302

An act relating to the Mendocino Unified School District, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. The governing board of the Mendocino Unified School District has actively pursued a plan for the replacement of its older school buildings which do not conform to the structural standards of the so-called Field Act. It has used district funds as well as state school building aid funds for this purpose. At the same time, the district, which formerly operated a junior-senior high school, found it necessary to establish a middle school to accommodate an increasing student population. The middle school is presently conducted in portable buildings located on the site of a discontinued grammar school. Pending the construction of permanent facilities for the middle school on another site, students attending the middle school must use the grammar school restroom and cafeteria facilities. It is not economically feasible to construct new restroom and cafeteria facilities at the former grammar school site for temporary use by the middle school.

The State Allocation Board has granted approval for the former grammar school facilities to be used until June 30, 1977, or until the completion of replacement facilities for the grammar school.

Progress has been made in the replacement and discontinuance of all pre-Field Act buildings of the district, but construction of permanent facilities for the new middle school cannot be undertaken until the district receives voter approval for the commitment of additional local funds for that purpose. Such a proposal is planned to be put before the voters of the district at an election to be conducted in November, 1977.

The Comptche Elementary School, a two-room school located in the community of Comptche, is attended by 40 students in kindergarten through grade 4. Until district funds are available to reconstruct or replace this school, its continued use is necessary to serve children living in the Comptche area.

SEC. 2. Notwithstanding Section 39227 of the Education Code, the governing board of the Mendocino Unified School District may use such buildings and related facilities of a former grammar school as the governing board finds necessary for the continued operation of the Mendocino Middle School on the grammar school site, and may continue to use the building and related facilities of the Comptche Elementary School. Use of the former grammar school may continue until permanent facilities for the middle school are constructed and ready for occupancy, or until June 30, 1980, whichever occurs earlier. Use of the Comptche Elementary School may continue until June 30, 1980. During the period of continued use authorized by this section, the buildings and related facilities of the former grammar school and of the Comptche Elementary School shall not be subject to Article 3 (commencing with Section 39140) or Article 6 (commencing with Section 39210) of Chapter 2 of Part 23 of Division 3 of the Education Code.

SEC. 3. The county superintendent of schools of the County of Mendocino conducts two special education classes in a school building in Calpella. The school building does not conform to the so-called Field Act. Pursuant to existing statutory authority, the State Allocation Board granted approval for the nonconforming school building to be used until June 30, 1977. However, the construction of replacement facilities will not be completed until September, 1978. It is essential for students of the county attending special education classes that the existing school building be utilized for such purposes until the replacement facilities are ready for occupancy.

Notwithstanding Section 39227 of the Education Code, the county superintendent of schools of the County of Mendocino may use the existing school building in Calpella to conduct medical education classes until permanent replacement facilities for such purpose are constructed and ready for occupancy, or until January 1, 1979, whichever occurs earlier. During the period of continued use authorized by this section, the existing building and related facilities shall not be subject to Article 3 (commencing with Section 39140) or Article 6 (commencing with Section 39210) of Chapter 2 of Part 23 of Division 3 of the Education Code.

SEC. 4. Due to the unique circumstances concerning the construction of permanent facilities for the Mendocino Unified School District and for the county superintendent of schools of Mendocino County, as partially set forth in Sections 1 and 3 of this act, and the limited nature of the exemption provided for in this act, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the Constitution.

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

In order that certain buildings and facilities which are essential to the operation of schools in Mendocino County may continue to be utilized without interruption pending the construction of permanent facilities, it is necessary that this act take effect immediately.

SEC. 5. This act shall remain in effect only until June 30, 1980, and on that date is repealed.

CHAPTER 303

An act to amend Section 12604.5 of the Business and Professions Code, relating to pricing consumer commodities, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 12604.5 of the Business and Professions Code is amended to read:

12604.5. (a) Every retail grocery store or grocery department within a general retail merchandise store which uses an automatic checkout system shall cause to have a clearly readable price indicated on each packaged consumer commodity offered for sale from April 1, 1976, to January 1, 1978.

(b) The provisions of this section shall not apply to unpackaged fresh food produce, or to consumer commodities which are under three cubic inches in size, weigh less than three ounces, and are priced under thirty cents ($0.30).

(c) The provisions of this section shall not apply to any consumer commodity which was not generally item-priced on January 1, 1977. The Department of Food and Agriculture shall determine what consumer commodities were generally item-priced in California on this date for the purposes of this section. However, the provisions of this section shall apply to each consumer commodity not excepted by subdivision (b) which is offered for sale in a grocery store or grocery department which utilizes an automatic checkout system.

(d) The provisions of this section shall not apply to any consumer commodity offered as a sale item or as a weekend special.

(e) For the purposes of this section:

(1) "Automatic checkout systems" means a computer capable of reading the universal product code or similar code to determine the

price of the items being purchased.

(2) "Consumer commodity" includes:

(A) Food, including all material, whether solid, liquid, or mixed, and whether simple or compound, which is used or intended for consumption by human beings or domestic animals normally kept as household pets, and all substances or ingredients added to any such material for any purpose. This definition shall not apply to individual packages of cigarettes or individual cigars.

(B) Napkins, facial tissues, toilet tissues, foil wrapping, plastic wrapping, paper toweling, and disposable plates and cups.

(C) Detergents, soaps, and other cleaning agents.

(D) Pharmaceuticals, including nonprescription drugs, bandages, female hygiene products, and toiletries.

(3) "Grocery department" means an area within a general retail merchandise store which is engaged primarily in the retail sale of packaged food, rather than food prepared for immediate consumption on or off the premises.

(4) "Grocery store" means a store engaged primarily in the retail sale of packaged food, rather than food prepared for consumption on the premises.

(5) "Sale item or weekend special" means any consumer commodity offered for a period of four days or less on sale in good faith at a price below the normal price that item is usually sold for in that store.

(f) This section shall not apply to any business which has as its only regular employees the owner thereof, or the parent, spouse, or child of such owner, or, in addition thereto, not more than two other regular employees.

SEC. 2. The sum of five thousand dollars ($5,000) is hereby appropriated from the General Fund to the Department of Food and Agriculture without regard to fiscal years for purposes of this act.

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

In order to prevent a gap in the extension of existing law, as proposed by this bill, it is necessary this act take immediate effect.

CHAPTER 304

An act to amend Section 6028 of the Business and Professions Code, relating to the State Bar of California, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 6028 of the Business and Professions Code is amended to read:

6028. (a) The board may make appropriations and disbursements from the funds of the State Bar to pay all necessary expenses for effectuating the purposes of this chapter.

(b) Except as provided in subdivision (c), no member of the board shall receive any other compensation than his necessary expenses connected with the performance of his duties as a member of the board.

(c) In addition to any other amounts for expenses which may be received by such members, public members of the board appointed pursuant to the provisions of Section 6013.5, public members of the examining committee appointed pursuant to Section 6046.5, and public members of any disciplinary board appointed pursuant to Section 6086.6 shall receive, out of funds appropriated for such purpose, fifty dollars ($50) per day for each day actually spent in the discharge of official duties, but in no event shall such payment exceed five hundred dollars ($500) per month.

SEC. 2. The sum of _____ dollars ($_____) is hereby appropriated from the General Fund to the State Bar for the purposes set forth in subdivision (c) of Section 6028 of the Business and Professions Code.

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

In order to provide an adequate and immediate reimbursement to the nonattorney members of the State Bar for their expenses, it is necessary that this act take immediate effect.

CHAPTER 305

An act to amend Sections 683, 690, 690.31, 690.50, 690.51, and 690.52 of the Code of Civil Procedure, and to amend Section 864 of the Financial Code, relating to execution and attachment, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 683 of the Code of Civil Procedure is amended to read:

683. The execution may be made returnable, at any time not less than 10 nor more than 60 days after its receipt by the officer to whom

it is directed, or, if the execution is upon the earnings of the judgment debtor, upon the termination of the levy of execution as provided in Section 682.3, to the court in which the judgment is entered. When the execution is returned, the clerk must attach it to the judgment roll, or the judge must make the proper entry in the docket.

If an execution is returned unsatisfied, another may be afterward issued within the time specified in this code.

If property either personal or real be levied upon under such writ of execution but the sale thereunder be postponed beyond or not held within the return date after it is received by the officer to whom it was delivered and which has been returned to the clerk of the court in which the judgment is entered, upon request of the person in whose favor the writ runs the court may direct the clerk to redeliver such execution to the officer to whom it was directed in order to permit the officer to make an alias return of the proceedings of the sale or levy thereon as in the case of an original return of execution.

If proceeds resulting from a levy of execution are received by the levying officer after the writ has been returned to the court in which the judgment is entered, upon request of the person in whose favor the writ runs, the clerk shall redeliver such execution to the officer to whom it was directed in order to permit the officer to make an alias return of the levy as in the case of an original return of execution.

Whenever a writ of execution issued against real property containing a dwelling house has been returned, proof that notice required by subdivision (d) or (g) of Section 690.31 has been served shall be indicated on the writ, or separately and attached to the writ.

SEC. 2. Section 690 of the Code of Civil Procedure is amended to read:

690. (a) Except as otherwise specifically provided, the property mentioned in Sections 690.1 to 690.29, inclusive, is exempt from execution when claim for exemption is made to the same by the judgment debtor or defendant as hereinafter in Section 690.50 provided.

(b) Whenever it is specifically provided in Sections 690.1 to 690.29, inclusive, that the filing of a claim of exemption is not required, the property so mentioned in each such section shall not be subject to levy of attachment or execution in any manner.

(c) As used in Sections 690.1 to 690.31, inclusive, "debtor" means debtor, claimant, defendant, cross-defendant, or judgment debtor.

(d) As used in Sections 690.1 to 690.31, inclusive, "creditor" means the plaintiff or the person in whose favor the writ runs.

SEC. 3. Section 690.31 of the Code of Civil Procedure is amended to read:

690.31. (a) A dwelling house in which the debtor or the family of the debtor actually resides shall be exempt from execution, to the same extent and in the same amount, except as otherwise provided in this section, as the debtor or the spouse of the debtor would be

entitled to select as a homestead pursuant to Title 5 (commencing with Section 1237) of Part 4 of Division 2 of the Civil Code. For the purpose of this section, "dwelling house" means the dwelling house together with the outbuildings and the land on which the same are situated.

(b) The exemption provided in subdivision (a) does not apply:

(1) Whenever the debtor or the spouse of the debtor has an existing declared homestead on any property in this state other than property which is the subject of a proceeding under subdivision (c) of this section. The existence of a homestead declared by the debtor or the debtor's spouse under Section 1300 of the Civil Code shall not affect the right of the other spouse to an exemption under this section.

(2) Whenever a judgment or abstract thereof or any other obligation which by statute is given the force and effect of a judgment lien has been recorded prior to either:

(i) The acquisition of the property by the debtor or the spouse of the debtor; or

(ii) The commencement of residence by the debtor or the spouse of the debtor, whichever last occurs.

(3) Whenever the execution or forced sale is in satisfaction of judgments obtained:

(i) On debts secured by mechanics, contractors, subcontractors, artisans, architects, builders, laborers of every class, or materialmen's or vendors' liens upon the premises;

(ii) On debts secured by encumbrances on the premises executed and acknowledged by husband and wife, by a claimant of a married person's separate homestead, or by an unmarried claimant; or

(iii) On debts secured by encumbrances on the premises, executed and recorded prior to or in connection with the acquisition of the property by the debtor or the spouse of the debtor.

(c) Whenever a judgment creditor seeks to enforce a judgment against a dwelling house, whether or not the judgment was rendered in another county, the judgment creditor shall apply to the proper court in the county in which the dwelling house is located for the issuance of a writ of execution. The proper court shall be determined in the same manner as provided in Section 392. The application shall be verified and describe the dwelling house and state that either or both of the following facts exist:

(1) The dwelling house is not exempt, the reasons therefor, and (i) that a reasonable search of the records of the office of the county recorder has not resulted in the finding of a declared homestead of the debtor or the spouse of the debtor on the subject dwelling house, and further, that a reasonable search of the records of the county tax assessor indicates that there is no current homeowner's exemption claimed by either the debtor or the spouse of the debtor on the subject dwelling house, or (ii) that the records of the county tax assessor indicate that there is a current homeowner's exemption claimed by either the debtor or the spouse of the debtor on the

subject dwelling house but the judgment creditor believes for reasons which shall be stated in the application that the debtor or the spouse of the debtor is not entitled to the exemption provided in this section.

(2) The current value of the dwelling house, over and above all liens and encumbrances thereon, exceeds the amount of the allowable exemption.

If an application alleges facts solely pursuant to paragraph (2) or the court determines that a writ may issue only under the circumstances described in paragraph (2), the court shall determine whether the current value of the dwelling house, over and above all liens and encumbrances thereon, exceeds the amount of the allowable exemption in the manner provided by Title 5 (commencing with Section 1237) of Part 4 of Division 2 of the Civil Code.

At the time the application is filed, if the judgment was rendered in another county, there shall be paid to the clerk or judge, as a filing fee, the sum of four dollars ($4) when filed in a justice court, or the sum of six dollars ($6) when filed in a superior or municipal court.

Whenever a judgment creditor seeks to enforce a judgment pursuant to this section and the judgment was rendered in another county, the judgment creditor shall file with the clerk or judge of the proper court in the county in which the dwelling house is located an abstract of judgment in the form prescribed in Section 674.

(d) Upon receipt of a completed application of a judgment creditor, the court shall set a time and place for hearing and order the debtor to show cause why a writ of execution should not issue. Prior to the hearing, a copy of the order to show cause, a copy of the application filed by the judgment creditor and a copy of the following notice, in at least 10-point bold type, shall be served as prescribed in subdivision (*l*):

"IMPORTANT LEGAL NOTICE TO HOMEOWNER AND RESIDENT

1. Your house is in danger of being sold to satisfy a judgment obtained in court. You may be able to protect the house and real property described in the accompanying application from execution and forced sale if you or your family now actually reside on the property and presently do not have a declared homestead legally recorded with the county recorder on any other property in the State of California. YOU OR YOUR SPOUSE MUST COME TO THE HEARING TO SHOW THESE FACTS.

2. If you or your spouse want to contest the forced sale of this property, you or your spouse must appear at

_____ on _____

(location set forth in OSC) (date and time)

and be prepared to answer questions concerning the statements made in the attached application. THE ONLY PURPOSE OF THE

HEARING WILL BE TO DETERMINE WHETHER THE PROPERTY CAN BE SOLD, NOT WHETHER YOU OWE THE MONEY.

3. FOR YOUR OWN PROTECTION, YOU SHOULD PROMPTLY SEEK THE ADVICE OF AN ATTORNEY IN THIS MATTER. IF YOU ARE A TENANT AND DO NOT CLAIM TO BE THE OWNER OR BUYER OF THIS PROPERTY, THIS NOTICE DOES NOT AFFECT YOU. PLEASE GIVE IT TO YOUR LANDLORD."

(e) The burden of proof at the hearing shall be determined in the following manner:

(1) Where the application of the judgment creditor states a claim of nonexempt status, the debtor or the spouse of the debtor shall have the burden of proving his or her entitlement to the exemption; and

(2) Where the application of the judgment creditor asserts that the current value of the dwelling, over and above all liens and encumbrances thereon, exceeds the amount of the allowable exemption, the judgment creditor shall have the burden of proof on that issue.

(f) Upon a determination by the court that the dwelling house is not exempt or that, although exempt, the judgment creditor is entitled to levy against any excess, it shall make an order directing the issuance of a writ of execution. The order shall state whether or not the dwelling house is exempt and, if not exempt, state that the judgment creditor is entitled only to execution against the excess over the exempt amount. It shall also specify the amount of the exemption. A copy of the order shall be transmitted by the clerk of the court to the clerk of the court in which the judgment was rendered.

The writ of execution shall specify the amounts for distribution under the levy, including names and addresses of each person or entity having an encumbrance against the dwelling and the name and address of any exempt debtor and the exempt amount.

(g) Any such writ of execution issued upon a hearing at which the debtor, the spouse of the debtor, or his or her attorney did not appear shall be served in the manner prescribed in subdivision (*l*) and be accompanied by the following notice in at least 10-point bold type:

"IMPORTANT LEGAL NOTICE TO HOMEOWNER AND RESIDENT

1. You were recently served with a court order requiring your presence at a hearing to determine why the court should not issue a writ of execution for the forced sale of your home. YOU AND YOUR SPOUSE FAILED TO APPEAR AT THE HEARING AND THE COURT HAS ORDERED THAT YOUR HOME BE SOLD TO SATISFY A JUDGMENT AGAINST YOU.

2. Your absence at the hearing has contributed to the issuance of the accompanying writ of execution. If the absence of you or your

attorney at the hearing was legally excusable and you believe in good faith that your home may be entitled to an exemption from execution, you should complete the form below and date, sign, and return the form below no later than _____. (Insert date no later than five days prior to date of sale.)

3. FOR YOUR OWN PROTECTION, YOU SHOULD IMMEDIATELY SEEK THE ADVICE OF AN ATTORNEY. IF YOU ARE A TENANT AND DO NOT CLAIM TO BE THE OWNER OR BUYER OF THIS PROPERTY, THIS NOTICE DOES NOT AFFECT YOU. PLEASE GIVE IT TO YOUR LANDLORD.

..... (Cut Out and Return This Form to) .....

_____ (Name and Title of Levying Officer)
_____ (Street Address and City)
_____ (Area Code and Telephone Number of Levying Officer)"

I declare that my absence from the previous hearing on whether or not this property should be sold was legally excusable. I, or my spouse, currently reside in this property and I wish a further hearing so that I may assert my exemption rights under Code of Civil Procedure Section 690.31 and contest the sale of my home. I understand that the clerk of the court will notify me of the date and place for this hearing if I return this form immediately and that I must attend this hearing.

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

Executed on _____ (date) at _____ (city or county), California

_____ "

(Signature of Debtor or Debtor's Spouse)

(h) If the debtor or spouse of the debtor declares that his or her absence or the absence of his or her attorney at the hearing was due to mistake, inadvertence, surprise or excusable neglect and declares that the subject dwelling house may be entitled to an exempt status, the levying officer shall, upon receipt of the declarations of the debtor five days prior to the scheduled sale date, postpone the sale pending further orders of the court and transmit the notice forthwith to the court. Upon receipt of the notice, the clerk shall set a hearing to determine whether the writ of execution should be recalled, and shall give at least 10 days' notice to the parties.

(i) Subsequent applications by a judgment creditor within 12 months of a denial of a writ of execution shall be supported by a statement under oath alleging that there is a material change of circumstances affecting the exemption, and setting forth facts supporting such claimed material change of circumstances.

(j) In the event of an execution sale, the proceeds of the sale shall be applied in the following order and priority: first, to the discharge

of all liens and encumbrances, if any, on the property; second, to the debtor, or the debtor's spouse if such person is the exemption claimant, in the amount of the exemption if allowed pursuant to this section; third, to the satisfaction of the execution; and fourth, to the debtor, or the debtor's spouse if such person is the exemption claimant.

(k) That portion of the proceeds from the sale of real property pursuant to an order of the court directing the issuance of a writ of execution pursuant to subdivision (f) of this section, which portion represents the amount of the exemption, shall be exempt for a period of six months from the date of receipt of the proceeds. Where such exempt proceeds are used for the purchase of a dwelling house, in which the debtor or the family of the debtor actually reside, within a period of six months following receipt, the subsequently acquired dwelling shall be exempt from execution. The exemption for the subsequently acquired real property shall have the same effect as if allowed on the date of the acquisition of or the commencement of residence by the debtor or the spouse of the debtor, whichever last occurred, in the property previously determined to be exempt, except with respect to a judgment or other obligation which by statute is given the force and effect of a judgment lien against the subsequently acquired property prior to its acquisition.

(*l*) Promptly upon receipt of the application filed by the judgment creditor, the order to show cause, and the notice specified in subdivision (d), or promptly upon receipt of the writ of execution and the notice specified in subdivision (g), and in no event less than 10 days prior to the date of the hearing specified in the notice under subdivision (d) or the date of sale, as the case may be, the levying officer shall mail copies of the documents to the defendant and to any third person in whose name the property stands upon the records of the office of the tax assessor of the county where the property is located on the last business day preceding the date of mailing. Such copies shall be mailed first-class mail, postage prepaid, to the address of the defendant and any such third person as shown by the records of the office of the tax assessor. The levying officer shall also serve an occupant of the property with copies or, if there is no occupant on the property at the time service is attempted, the levying officer shall post a copy in a conspicuous place on the property. Service upon the occupant may be made by leaving the copies with the occupant personally, or, in the occupant's absence, with any person of suitable age and discretion, found upon the property at the time service is attempted and who is either an employee or agent of such occupant or a member of his family or household.

(m) The provisions of subdivisions (j), and (*l*) of Section 690.50 shall apply to proceedings under this section.

(n) An appeal lies from any judgment under this section. Such appeal shall be taken in the manner provided for appeals in the court in which the proceeding is had.

(o) The notice specified in subdivision (d) shall also be provided

in Spanish as follows:

"IMPORTANTE AVISO LEGAL AL PROPIETARIO DE CASA Y RESIDENTE

1. Su casa está en peligro de ser vendida para cumplir con una orden judicial obtenida en la corte. Usted podría proteger la casa y los bienes raíces descritos en la solicitud adjunta de la ejecución y venta forzosa si usted o su familia actualmente residen en la propiedad y no tienen una casa propia legalmente registrada con el registrador del condado en alguna otra propiedad en el Estado de California. USTED O SU ESPOSO(A) DEBEN VENIR A LA AUDIENCIA PARA DEMOSTRAR ESTOS PUNTOS.

2. Si usted o su esposo(a) quieren disputar la venta forzosa de esta propiedad, usted o su esposo(a) deberán presentarse a

_____ el _____

(location set forth in O.S.C.) (date and time)

y estar preparados para contestar las preguntas acerca de las declaraciones puestas en la solicitud adjunta. EL ÚNICO PROPÓSITO DE ESTA AUDIENCIA SERÁ EL DE DETERMINAR SI LA PROPIEDAD PUEDE SER VENDIDA, Y NO SI USTED DEBE DINERO.

3. PARA SU PROPIA PROTECCIÓN, USTED DEBERÍA PRONTAMENTE DE BUSCAR EL CONSEJO DE UN ABOGADO EN ESTE ASUNTO. Si usted es un inquilino y no reclama ser el dueño o el comprador de esta propiedad, este aviso no le afecta a usted. Por favor déselo a su arrendador."

(p) The notice specified in subdivision (g) shall be provided in Spanish as follows:

"IMPORTANTE AVISO LEGAL AL PROPIETARIO DE CASA Y RESIDENTE

1. Recientemente se le entregó una orden de la corte pidiendo su presencia para una audiencia para determinar el porque la corte no debería de extenderle una orden de ejecución para la venta forzosa de su casa. USTED Y SU ESPOSA NO VINIERON A LA AUDIENCIA Y LA CORTE HA ORDENADO QUE SU CASA SEA VENDIDA PARA SATISFACER EL JUICIO EN CONTRA DE USTEDES.

2. Su ausencia a la audiencia ha contribuido para la emisión de la orden de ejecución. Si la ausencia de ustedes o de su abogado en la audiencia es excusable legalmente y creen de buena fe que su casa puede tener derecho a estar exonerada de ejecución, debería de completar el formato que está debajo y fecharlo, firmarlo, y devolverlo no a más tardar del _____. (Insert date no later than five days prior to sale.)

3. PARA SU PROPIA PROTECCIÓN, USTED DEBERÍA

INMEDIATAMENTE BUSCAR EL CONSEJO DE UN ABOGADO. Si usted es un inquilino y no reclama ser el dueño o el comprador de esta propiedad, este aviso no le afecta a usted. Por favor déselo a su arrendador.

..... (Corte y Devuelva Este Formato a) .....

_____ (Name and title of levying officer)
_____ (Street address and city)
_____ (Area code and telephone number of levying officer)

Declaro que mi ausencia en la pasada audiencia sobre si esta propiedad debería de ser vendida o no fue legalmente excusable. Yo, o mi esposo(a), actualmente residimos en esta propiedad y deseo una audiencia adicional para hacer valer mis derechos de exención bajo el Código de Procedimiento Civil Sección 690.31 y disputar la venta de mi casa. Entiendo que el oficial de la corte me notificará de la fecha y del lugar de esta audiencia si devuelvo este formato inmediatamente y que debo asistir a esta audiencia.

Declaro bajo pena de perjurio que lo anterior es verdadero y está correcto.

Firmado el _____ (fecha) en _____ (ciudad o condado), California

_____ "

(Firma del Deudor(a) o de la Esposa(o) del Deudor(a))

Timely completion and return of the return portion of the Spanish translation of this form shall have the same force and effect as timely completion and return of the English language form.

SEC. 4. Section 690.50 of the Code of Civil Procedure is amended to read:

690.50. (a) If the property mentioned in Section 690.1 to 690.29, inclusive, shall be levied upon under writ of execution, the judgment debtor (herein referred to as "the debtor"), in order to avail himself of his exemption rights as to such property, shall within 10 days from the date such property was levied upon deliver to the levying officer an affidavit of himself or his agent, together with a copy thereof, alleging that the property levied upon, identifying it, is exempt, specifying the section or sections of this code on which he relies for his claim to exemption, and all facts necessary to support his claim, and also stating therein his address within this state for the purpose of permitting service by mail upon him of the counteraffidavit and any notice of the motion herein provided. For purposes of this section, if the property levied upon consists of the earnings of a judgment debtor, each date that earnings are withheld from the judgment debtor shall be deemed to be the date such earnings were levied upon. A judgment debtor shall have the right to file a separate claim of exemption each time that a withholding of earnings occurs,

provided, that if a prior claim of exemption has been adjudicated under the same levy, that each separate claim of exemption thereafter be supported by a statement under oath alleging the changed circumstances which support the new claim of exemption. If a claim of exemption be allowed, the judgment creditor shall have the right, at any time during the effective period of the claim of exemption, to move the court for consideration of the claim previously granted on the grounds of a material change of circumstances affecting the debtor's exemption rights. If the judgment creditor does make such a motion, he must support his motion by a statement under oath alleging the changed circumstances which support his motion for consideration.

(b) Forthwith upon receiving the affidavit of exemption, the levying officer shall serve upon the person in whose favor the writ runs (herein referred to as "the creditor"), either personally or by mail, a copy of the affidavit of exemption, together with a writing, signed by the levying officer, stating that the claim to exemption has been received and that the officer will release the property unless he receives from the creditor a counteraffidavit within five days after service of such writing.

(c) If the creditor desires to contest the claim to exemption, he shall, within such period of five days, file with the levying officer a counteraffidavit alleging that the property is not exempt within the meaning of the section or sections of this code relied upon, or if the claim to exemption be based on Sections 690.2, 690.3, 690.4, or 690.6, alleging that the value of the property claimed to be exempt is in excess of the value stated in the applicable section or sections, together with proof of service of a copy of such counteraffidavit upon the debtor.

(d) If no such counteraffidavit, with such proof of service, is so filed with the levying officer within the time allowed, the officer shall forthwith release the property.

(e) If such counteraffidavit, with such proof of service, is so filed, either the creditor or the debtor shall be entitled to a hearing in the court in which the action is pending or from which the writ issued for the purpose of determining the claim to exemption, the priority or division of payment between one or more creditors from nonexempt earnings under the provisions of Section 690.6 or the value of the property claimed to be exempt. Such hearing shall be granted by the court upon motion of either party made within five days after the counteraffidavit is filed with the levying officer, and such hearing must be had within 15 days from the date of the making of such motion unless continued by the court for good cause. The party making the motion for hearing shall give not less than five days' notice in writing of such hearing to the levying officer and to the other party, and specify therein that the hearing is for the purpose of determining the claim to exemption. The notice may be of motion or of hearing and upon the filing of the notice with the clerk of the court, the motion is deemed made.

(f) If neither party makes such motion within the time allowed, or if the levying officer shall not have been served with a copy of the notice of hearing within 10 days after the filing of the counteraffidavit, the levying officer shall forthwith release the property to the debtor.

(g) At any time while the proceedings are pending, upon motion of either party or upon its own motion, the court may (1) order the sale of any perishable property held by such officer and direct disposition of the proceeds of such sale, and (2) make such other orders as may be proper under the particular circumstances of the case. Any orders so made may be modified or vacated by the court or judge granting the same, or by the court in which the proceedings are pending, at any time during the pendency of the proceedings, upon such terms as may be just.

(h) The levying officer in all cases shall retain physical possession of the property levied upon if it is capable of physical possession, or in the case of property not capable of physical possession, the levy shall remain in full force and effect, pending the final determination of the claim to exemption. However, no sale under execution shall be had prior to such final determination unless an order of the court hearing the claim for exemption shall so provide.

(i) At such hearing, the party claiming the exemption shall have the burden of proof. The affidavits and counteraffidavits shall be filed by the levying officer with the court and shall constitute the pleadings, subject to the power of the court to permit an amendment in the interests of justice. The affidavit of exemption shall be deemed controverted by the counteraffidavit and both shall be received in evidence. Nothing herein shall be construed to deprive anyone of the right to a jury trial in any case where, by the Constitution, such right is given, but a jury trial may be waived in any such case in like manner as in the trial of an action. No findings shall be required in a proceeding under this section. When the hearing is before the court sitting without a jury, and no evidence other than the affidavit and counteraffidavit is offered, the court, if satisfied that sufficient facts are shown thereby, may make its determination thereon. Otherwise, it shall order the hearing continued for the production of other evidence, oral or documentary, or the filing of other affidavits and counteraffidavits. At the conclusion of the hearing, the court shall give judgment determining whether the claim to exemption shall be allowed or not, in whole or in part, and may give judgment determining the priority or division of payment between one or more creditors from nonexempt earnings under the provisions of Section 690.6, which judgment shall be determinative as to the right of the creditor to have the property taken and held by the officer or to subject the property to payment or other satisfaction of his judgment. In such judgment the court shall make all proper orders for the disposition of such property or the proceeds thereof.

(j) A copy of any judgment entered in the trial court shall be forthwith transmitted by the clerk to the levying officer in order to

permit such officer to either release the property attached or to continue to hold it to sell it, in accordance with the provisions of the writ previously delivered to him. Such officer, unless an appeal from the judgment is waived, or the judgment has otherwise become final, shall continue to hold such property under attachment or execution, continuing the sale of any property held under execution until such judgment becomes final. However, if a claim to exemption under Section 690.6 is allowed by such judgment, the debtor shall be entitled to a release of the earnings so exempted at the expiration of three days, unless otherwise ordered by the court, or unless the levying officer shall have been served with a copy of a notice of appeal from the judgment.

(k) When any documents required hereunder are served by mail, the provisions of this code relating to service by mail shall be applicable thereto.

(*l*) Whenever the time allowed for an act to be done hereunder is extended by the court, written notice thereof shall be given promptly to the opposing party, unless such notice be waived, and to the levying officer.

(m) An appeal lies from any judgment under this section. Such appeal shall be taken in the manner provided for appeals in the court in which the proceeding is had.

SEC. 5. Section 690.51 of the Code of Civil Procedure is amended to read:

690.51. In cases in which a warrant or notice of levy is issued by the State of California, or a department or agency thereof, pursuant to Section 1755 or 1785 of the Unemployment Insurance Code, or Section 6776, 7881, 9001, 10111, 18906, 26191, 30341, or 32365 of the Revenue and Taxation Code, for the collection of tax liability owed to the state, a department or agency thereof, the tax debtor shall be entitled to the exemptions provided in Sections 690.1 to 690.31, inclusive, and, where applicable, the provisions of Section 690.50 shall govern the assertion and determination thereof. The superior court of the county, or city and county, in which the property levied upon is located shall have jurisdiction to hear and determine the validity of the claim of exemption or the value of the property claimed exempt, whether or not the value of the property determines the right to exemption, in like manner as if the property were levied upon by writ of execution issued by such court.

SEC. 6. Section 690.52 of the Code of Civil Procedure is amended to read:

690.52. No article, however, or species of property, mentioned in Sections 690.1 to 690.29, inclusive, of this code is exempt from execution issued upon a judgment recovered for its price, or upon a judgment of foreclosure of a mortgage or other lien thereon.

SEC. 7. Section 864 of the Financial Code is amended to read:

864. (a) For the purposes of this section:

(1) "Customer" means one or more natural persons.

(2) "Debt" means an interest-bearing obligation or an obligation

which by its terms is payable in installments, which has not been reduced to judgment, arising from an extension of credit to a natural person primarily for personal, family, or household purposes, and does not mean a charge for bank services or a debit for uncollected funds or for an overdraft of an account imposed by a bank on a deposit account.

(b) A bank is limited in exercising any setoff for a debt claimed to be owed to the bank by a customer in that a setoff shall not result in an aggregate balance of less than one thousand dollars ($1,000) as shown on the records of the bank for all demand deposit accounts maintained by a customer with the bank or any branch thereof.

(c) Not later than the day following the exercise of any setoff with respect to a deposit account for any debt claimed to be owed to the bank by a customer, the bank shall deliver to each customer personally or send by first-class mail postage prepaid to the address of each customer as shown on the records of the bank a written notice in at least 10-point type containing the following:

(1) A statement that the bank has set off a debt or a portion thereof against the customer's deposit account, identifying the account, and giving the respective balances before and after the setoff.

(2) A statement identifying the debt set off against the account and giving the respective balances due before and after the setoff.

(3) A statement that if the customer claims that the debt has been paid or is not now owing, or that the funds in the deposit account consist of moneys expressly exempt pursuant to Chapter 1 (commencing with Section 681) of Title 9 of Part 2 of the Code of Civil Procedure, except Section 690.6, or Civil Code Section 1257 and listed in the notice, the customer may execute and return the notice to the bank by mail at the address shown or personally to the bank branch where the customer's account is maintained not later than 20 days after the date of mailing or personal delivery.

(4) A statement that if the notice is executed and returned, the bank may file an action in court to collect the debt; that if a lawsuit is filed, the customer will be notified and have an opportunity to appear and defend; and that if the bank is successful, the customer will be liable for court costs, and attorney's fees, if the debt so provides.

(5) A response form in at least 10-point type containing substantially the following:

"The debt described in the Notice of Setoff received from the bank is _____ is not _____ my debt or the debt of another person in whose name the account is maintained.

"I claim that the debt:

____has been paid.

____is not now owing.

____is not subject to setoff because the money in the account is:

____Proceeds from an execution sale of a motor vehicle (CCP 690.2)

____Condemnation proceeds (CCP 690.8)
____Relocation benefits (CCP 690.8a)
____Life insurance proceeds (CCP 690.9)
____Group life insurance proceeds (CCP 690.10)
____Disability and health insurance benefits (CCP 690.11)
____Payments received from a fraternal benefit society (CCP 690.14)
____Workers' compensation benefits (CCP 690.15)
____Unemployment benefits (CCP 690.175)
____Public pension benefits including, but not limited to, social security benefits (CCP 690.18)
____Public assistance benefits including welfare payments and supplemental security income (SSI) (CCP 690.19)
____Proceeds from an execution sale of a residence (CCP 690.31) or any sale of a homestead (Civil Code 1257)

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

"Executed at _____, California on _____
City or County Date

Signed: _____ "
(Customer)

(d) If the response form described in subdivision (c) executed by the customer is received by the bank not later than 20 days after the date of mailing or personal delivery of the written notice, the amount of the setoff for any debt claimed to be owed to the bank by a customer, and any bank service charges resulting from the setoff, shall be reversed and such amount shall be credited to the deposit account not later than the end of the business day following receipt of such executed response form.

(e) The limitations provided in this section do not apply to a deposit account, other than a demand deposit account, in which the bank has a security interest expressed by a written contract as collateral for the debt owing to the bank by the customer.

(f) The limitations provided in this section do not apply when a customer previously has authorized a bank in writing to periodically debit a deposit account as the agreed method of payment of the debt.

(g) The limitations provided in this section shall apply only to the exercise by a bank of a setoff with respect to debts claimed to be owing to it by customers on or after July 1, 1976.

(h) Nothing in this section shall prejudice a person's right to assert exemptions under Chapter 1 (commencing with Section 681) of Title 9 of Part 2 of the Code of Civil Procedure, or to assert a claim or defense as to the validity of the debt, in a judicial proceeding.

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

Recent amendments to the statutes relating to execution and attachment created ambiguous cross-references. These recent

amendments will become operative on July 1, 1977. In order to correct these ambiguities it is necessary that this act become effective immediately, and operative on July 1, 1977.

In addition, Section 690.31 of the Code of Civil Procedure, as enacted by Chapter 1000 of the Statutes of 1976, failed to specifically prescribe certain powers and duties of both the courts and levying officers in effectuating its provisions and to sufficiently apprise judgment debtors and creditors of their rights and liabilities under such provisions. In order that all parties concerned with the operation of Section 690.31 of the Code of Civil Procedure will be adequately apprised of the aforementioned particulars as soon as the section becomes operative, it is necessary that the amendments to the section made by this act become effective immediately, and operative on July 1, 1977, the operative date of Section 690.31 of the Code of Civil Procedure.

SEC. 9. Section 683 of the Code of Civil Procedure is amended to read:

683. (a) The execution may be made returnable, at any time not less than 10 nor more than 60 days after its receipt by the officer to whom it is directed, to the court in which the judgment is entered. When the execution is returned, the clerk must attach it to the judgment roll, or the judge must make the proper entry in the docket.

(b) If an execution is returned unsatisfied, another may be afterward issued within the time specified in this code.

(c) If property either personal or real be levied upon under such writ of execution but the sale thereunder be postponed beyond or not held within the return date after it is received by the officer to whom it was delivered and which has been returned to the clerk of the court in which the judgment is entered, upon request of the person in whose favor the writ runs the court may direct the clerk to redeliver such execution to the officer to whom it was directed in order to permit the officer to make an alias return of the proceedings of the sale or levy thereon as in the case of an original return of execution.

(d) If proceeds resulting from a levy of execution are received by the levying officer after the writ has been returned to the court in which the judgment is entered, upon request of the person in whose favor the writ runs, the clerk shall redeliver such execution to the officer to whom it was directed in order to permit the officer to make an alias return of the levy as in the case of an original return of execution.

(e) Whenever a writ of execution issued against real property containing a dwelling house has been returned, proof that notice required by subdivision (d) or (g) of Section 690.31 has been served shall be indicated on the writ, or separately and attached to the writ.

(f) If an earnings withholding order has been issued and served upon the employer as provided in Chapter 2.5 (commencing with Section 723.010) prior to the time the writ of execution is made

returnable under subdivision (a), the execution is returnable as provided in Section 723.026.

SEC. 10. Section 690.50 of the Code of Civil Procedure is amended to read:

690.50. (a) If the property mentioned in Section 690.1 to 690.29, inclusive, shall be levied upon under writ of execution, the judgment debtor (herein referred to as "the debtor"), in order to avail himself of his exemption rights as to such property, shall within 10, days from the date such property was levied upon deliver to the levying officer an affidavit of himself or his agent, together with a copy thereof, alleging that the property levied upon, identifying it, is exempt, specifying the section or sections of this code on which he relies for his claim to exemption, and all facts necessary to support his claim, and also stating therein his address within this state for the purpose of permitting service by mail upon him of the counteraffidavit and any notice of the motion herein provided.

(b) Forthwith upon receiving the affidavit of exemption, the levying officer shall serve upon the person in whose favor the writ runs (herein referred to as "the creditor"), either personally or by mail, a copy of the affidavit of exemption, together with a writing, signed by the levying officer, stating that the claim to exemption has been received and that the officer will release the property unless he receives from the creditor a counteraffidavit within five days after service of such writing.

(c) If the creditor desires to contest the claim to exemption, he shall, within such period of five days, file with the levying officer a counteraffidavit alleging that the property is not exempt within the meaning of the section or sections of this code relied upon, or if the claim to exemption be based on Section 690.2, 690.3, or 690.4, alleging that the value of the property claimed to be exempt is in excess of the value stated in the applicable section or sections, together with proof of service of a copy of such counteraffidavit upon the debtor.

(d) If no such counteraffidavit, with such proof of service, is so filed with the levying officer within the time allowed, the officer shall forthwith release the property.

(e) If such counteraffidavit, with such proof of service, is so filed, either the creditor or the debtor shall be entitled to a hearing in the court in which the action is pending or from which the writ issued for the purpose of determining the claim to exemption or the value of the property claimed to be exempt. Such hearing shall be granted by the court upon motion of either party made within five days after the counteraffidavit is filed with the levying officer, and such hearing must be had within 15 days from the date of the making of such motion unless continued by the court for good cause. The party making the motion for hearing shall give not less than five days' notice in writing of such hearing to the levying officer and to the other party, and specify therein that the hearing is for the purpose of determining the claim to exemption. The notice may be of motion or of hearing and upon the filing of the notice with the clerk of the

court, the motion is deemed made.

(f) If neither party makes such motion within the time allowed, or if the levying officer shall not have been served with a copy of the notice of hearing within 10 days after the filing of the counteraffidavit, the levying officer shall forthwith release the property to the debtor.

(g) At any time while the proceedings are pending, upon motion of either party or upon its own motion, the court may (1) order the sale of any perishable property held by such officer and direct disposition of the proceeds of such sale, and (2) make such other orders as may be proper under the particular circumstances of the case. Any orders so made may be modified or vacated by the court or judge granting the same, or by the court in which the proceedings are pending, at any time during the pendency of the proceedings, upon such terms as may be just.

(h) The levying officer in all cases shall retain physical possession of the property levied upon if it is capable of physical possession, or in the case of property not capable of physical possession, the levy shall remain in full force and effect, pending the final determination of the claim to exemption. However, no sale under execution shall be had prior to such final determination unless an order of the court hearing the claim for exemption shall so provide.

(i) At such hearing, the party claiming the exemption shall have the burden of proof. The affidavits and counteraffidavits shall be filed by the levying officer with the court and shall constitute the pleadings, subject to the power of the court to permit an amendment in the interests of justice. The affidavit of exemption shall be deemed controverted by the counteraffidavit and both shall be received in evidence. Nothing herein shall be construed to deprive anyone of the right to a jury trial in any case where, by the Constitution, such right is given, but a jury trial may be waived in any such case in like manner as in the trial of an action. No findings shall be required in a proceeding under this section. When the hearing is before the court sitting without a jury, and no evidence other than the affidavit and counteraffidavit is offered, the court, if satisfied that sufficient facts are shown thereby, may make its determination thereon. Otherwise, it shall order the hearing continued for the production of other evidence, oral or documentary, or the filing of other affidavits and counteraffidavits. At the conclusion of the hearing, the court shall give judgment determining whether the claim to exemption shall be allowed or not, in whole or in part, which judgment shall be determinative as to the right of the creditor to have the property taken and held by the officer or to subject the property to payment or other satisfaction of his judgment. In such judgment the court shall make all proper orders for the disposition of such property or the proceeds thereof.

(j) A copy of any judgment entered in the trial court shall be forthwith transmitted by the clerk to the levying officer in order to permit such officer to either release the property attached or to

continue to hold it to sell it, in accordance with the provisions of the writ previously delivered to him. Such officer, unless an appeal from the judgment is waived, or the judgment has otherwise become final, shall continue to hold such property under attachment or execution, continuing the sale of any property held under execution until such judgment becomes final.

(k) When any documents required hereunder are served by mail, the provisions of this code relating to service by mail shall be applicable thereto.

(*l*) Whenever the time allowed for an act to be done hereunder is extended by the court, written notice thereof shall be given promptly to the opposing party, unless such notice be waived, and to the levying officer.

(m) An appeal lies from any judgment under this section. Such appeal shall be taken in the manner provided for appeals in the court in which the proceeding is had.

SEC. 11. It is the intent of the Legislature, if this bill and Assembly Bill No. 393 are both chaptered and become effective on or before January 1, 1978, both bills amend Section 683 of the Code of Civil Procedure, and this bill is chaptered after Assembly Bill No. 393, that Section 683 of the Code of Civil Procedure, as amended by Section 1 of this act shall remain operative only until the operative date of Assembly Bill No. 393, and that on the operative date of Assembly Bill No. 393 Section 683 of the Code of Civil Procedure, as amended by Section 1 of this act, be further amended in the form set forth in Section 9 of this act to incorporate the changes in Section 683 proposed by Assembly Bill No. 393. Therefore, Section 9 of this act shall become operative only if Assembly Bill No. 393 is chaptered before this bill and amends Section 683, and in such case Section 9 of this act shall become operative on the operative date of Assembly Bill No. 393.

SEC. 12. It is the intent of the Legislature, if this bill and Assembly Bill No. 393 are both chaptered and become effective on or before January 1, 1978, both bills amend Section 690.50 of the Code of Civil Procedure, and this bill is chaptered after Assembly Bill No. 393, that Section 690.50 of the Code of Civil Procedure, as amended by Section 4 of this act shall remain operative only until the operative date of Assembly Bill No. 393, and that on the operative date of Assembly Bill No. 393 Section 690.50 of the Code of Civil Procedure, as amended by Section 4 of this act, be further amended in the form set forth in Section 10 of this act to incorporate the changes in Section 690.50 proposed by Assembly Bill No. 393. Therefore, Section 10 of this act shall become operative only if Assembly Bill No. 393 is chaptered before this bill and amends Section 690.50, and in such case Section 10 of this act shall become operative on the operative date of Assembly Bill No. 393.

SEC. 13. This act shall become operative on July 1, 1977.

CHAPTER 306

An act to amend Sections 39670, 39671, 39672, and 39673 of, and to amend the heading of Article 4 (commencing with Section 39670) of Chapter 4 of Part 23 of, the Education Code, and to amend Section 39674 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, and to amend Section 830.4 of the Penal Code, relating to school security personnel.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. The heading of Article 4 (commencing with Section 39670) of Chapter 4 of Part 23 of the Education Code is amended to read:

Article 4. Security Departments

SEC. 2. Section 39670 of the Education Code is amended to read:

39670. The governing board of any school district may establish a security department and employ, in accordance with the provisions of Chapter 5 (commencing with Section 45100) of Part 25 of Division 3 of this title such personnel as may be necessary to ensure the security of school district personnel and pupils and the security of the real and personal property of the school district and to cooperate with local law enforcement agencies in all matters involving the security of the personnel, pupils, and real and personal property of the school district. It is the intention of this provision that a school district security department shall be supplementary to city and county law enforcement agencies and shall under no circumstances be vested with general police powers.

SEC. 3. Section 39671 of the Education Code is amended to read:

39671. Persons employed and compensated as members of a security department of a school district, when appointed and duly sworn, are peace officers, as defined by Section 830.4 of the Penal Code, but only for the purpose of carrying out the duties of their employment.

SEC. 4. Section 39672 of the Education Code is amended to read:

39672. Persons employed and compensated as members of a security department of a school district shall be supplied with and authorized to wear a badge bearing the name of the school district. The employee shall carry a suitable identification card bearing his or her photograph and signature and the signature of the superintendent of the school district, and such other identification data as may be required by local law enforcement agencies. The governing board may direct the wearing of a distinctive uniform and shall prescribe same. The costs of required uniforms, equipment,

identification badges and cards shall be borne by the district.

SEC. 5. Section 39673 of the Education Code is amended to read:

39673. The governing board of a school district which establishes a security department may provide and maintain motor vehicles for the use of the department. Any vehicle, when operated in the performance of his duties by any member of the security department, is an authorized emergency vehicle and may be equipped and operated as such as provided by the Vehicle Code.

SEC. 6. Section 39674 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

39674. The governing board of any school district having an average daily attendance of not less than 5,000 nor more than 7,000, which has not established a security department pursuant to this article, may contract with any private patrol operator licensed pursuant to Chapter 11 (commencing with Section 7500) of Division 3 of the Business and Professions Code to aid in the security of the school district's real and personal property; provided however, that notwithstanding any other provision of law to the contrary, no employee of any such private patrol operator shall carry any firearm at any time while performing duties in any school building or on the grounds of any school pursuant to such a contract. Expenditures in any fiscal year for such service shall not exceed four thousand five hundred dollars ($4,500).

For purposes of this section there shall not be included in the average daily attendance of an elementary school district, the attendance of pupils attending the seventh and eighth grades of a junior high school maintained by a high school district.

This section shall remain in effect only until July 1, 1978, and as of that date is repealed.

SEC. 7. Section 830.4 of the Penal Code is amended to read:

830.4. (a) The following persons are peace officers while engaged in the performance of the duties of their respective employments:

(1) Security officers of the California State Police Division.

(2) The Sergeant at Arms of each house of the Legislature.

(3) Bailiffs of the Supreme Court and of the courts of appeal.

(4) Guards and messengers of the Treasurer's office.

(5) The Director of the Department of Navigation and Ocean Development and employees of such department designated by him pursuant to Section 71.2 of the Harbors and Navigation Code.

(6) The hospital administrator of a state hospital under the jurisdiction of the Department of Mental Hygiene or, on or after July 1, 1973, the State Department of Health, and police officers designated by him pursuant to Section 4312 of the Welfare and Institutions Code.

(7) Any railroad or steamboat company policeman commissioned by the Governor pursuant to Section 8226 of the Public Utilities Code.

(8) Persons designated by a cemetery authority pursuant to Section 8325 of the Health and Safety Code.

(9) Harbor policemen regularly employed and paid as such by a county, city, or district, and the port warden and special officers of the Harbor Department of the City of Los Angeles. However, notwithstanding the provisions of Section 171c, 171d, or 12027, such persons are not peace officers for purposes of such sections except when designated by local ordinance or, if the local agency is not authorized to act by ordinance, by resolution, either individually or by class, as peace officers for such purposes.

(10) (A) Special officers of the Department of Airports of the City of Los Angeles commissioned by the city police commission.

(B) Any such officer so commissioned on or before July 6, 1973, shall have completed the course of instruction required by Section 832 by September 1, 1973. Any officer so commissioned after July 6, 1973, shall have completed the course of instruction within 60 days after such commissioning. Any person who, within the time prescribed by this paragraph for such person, does not satisfactorily complete the course of instruction required by Section 832, shall not have the powers of a peace officer thereafter.

(C) Notwithstanding subdivision (b), the authority of such airport security officers shall not extend beyond the territory of the airport boundaries, except when in pursuit of any offender or suspected offender.

(11) The chief of toll services, captains, lieutenants, and sergeants employed by the Department of Transportation on vehicular crossings pursuant to Chapter 13 (commencing with Section 23250) of Division 11 of the Vehicle Code.

(12) Persons employed as members of a security department of a school district pursuant to Section 39671 of the Education Code.

(13) Duly authorized federal employees, when they are engaged in enforcing applicable state or local laws on property owned or possessed by the United States government and with the written consent of the sheriff or the chief of police, respectively, in whose jurisdiction such property is situated.

(14) Security guards of the County of Los Angeles.

(15) (A) Persons regularly employed and designated by the Board of Directors of the Monterey Peninsula Airport District as airport policemen.

(B) Any such person employed on or before July 6, 1973, shall have completed the course of instruction required by Section 832 by September 1, 1973. Any person so employed after July 6, 1973, shall have completed the course of instruction within 60 days after such employment. Any person who, within the time prescribed by this paragraph for such person, does not satisfactorily complete the course of instruction required by Section 832, shall not have the powers of a peace officer thereafter.

(C) Notwithstanding subdivision (b), the authority of such airport security officers shall not extend beyond the territory of the airport boundaries, except when in pursuit of any offender or suspected offender.

(16) Any person regularly employed as an airport security officer by any airport operated by the City and County of San Francisco, Orange County, or the County of San Joaquin if he meets the following requirements:

(A) If employed by the City and County of San Francisco or Orange County on or before July 6, 1973, he shall have completed the course of instruction required by Section 832 by September 1, 1973, or if employed after July 6, 1973, he shall have completed such course of instruction within 60 days after such employment. If employed by the County of San Joaquin on or before September 25, 1973, he shall have completed the course of instruction required by Section 832 by December 1, 1973; or if employed after September 25, 1973, he shall have completed such course of instruction within 60 days after such employment. Any person who, within the time prescribed by this paragraph for such person, does not satisfactorily complete the course of instruction required by Section 832, shall not have the powers of a peace officer thereafter.

(B) He shall be commissioned as a peace officer by the police commission or the board of supervisors of the city and county, or county, as the case may be, operating the airport.

(C) Notwithstanding subdivision (b), the authority of such airport security officers shall not extend beyond the territory of the airport boundaries, except when in pursuit of any offender or suspected offender.

(D) In the case of any person regularly employed as an airport security officer by any such airport located in the County of San Mateo, he shall either be deputized by, or have the written consent of, the Sheriff of San Mateo County.

(17) Housing authority patrol officers employed by the City of Los Angeles or by the Housing Authority of the County of Contra Costa or by the Housing Authority of the County of Los Angeles.

(18) (A) Persons regularly employed and designated by the City of Fresno as airport security officers for the Fresno Air Terminal.

(B) Before exercising the powers of a peace officer, all persons so employed shall have satisfactorily completed the course of instruction so required by Sections 832 and 832.1.

(C) Notwithstanding subdivision (b), the authority of such airport security officers shall not extend beyond the territory of the airport boundaries, except when in pursuit of any offender or suspected offender.

(19) Any person regularly employed as an airport security officer by any airport operated by the City of Palm Springs if he meets the following requirements:

(A) If employed by the City of Palm Springs on or before July 1, 1976, he shall have completed the course of instruction required by Section 832 by September 1, 1976, or if employed after July 1, 1976, he shall have completed the course of instruction required by Section 832 within 60 days of employment. Any person who, within the time prescribed by this paragraph for such person, does not satisfactorily

complete the course of instruction required by Section 832, shall not have the powers of a peace officer.

(B) He shall be commissioned as a peace officer by the City Council of the City of Palm Springs.

(C) Notwithstanding subdivision (b), the authority of such airport security officers shall not extend beyond the territory of the airport boundaries, except when in pursuit of any offender or suspected offender.

(b) The authority of any such peace officer extends to any place in the state as to a public offense committed or which there is probable cause to believe has been committed with respect to persons or property the protection of which is the immediate duty of such officer.

CHAPTER 307

An act to amend Section 597j of the Penal Code, relating to cocks.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 597j of the Penal Code is amended to read:

597j. Any person who owns, possesses or keeps any cock with the intent that such cock shall be used or engaged by himself or by his vendee or by any other person in any exhibition of fighting is guilty of a misdemeanor.

CHAPTER 308

An act to add Section 78209 to the Education Code, relating to athletics.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 78209 is added to the Education Code, to read:

78209. The governing board of a community college district may enforce rules and regulations relating to eligibility for and participation in intercollegiate athletics. Such rules and regulations may include, but are not limited to, those adopted by a voluntary association, one of whose purposes is to govern intercollegiate athletics among schools and colleges.

CHAPTER 309

An act to amend Sections 18951 and 27402 of, and to repeal Sections 18950 and 27401 of, the Education Code, to amend Sections 16113, 16115, 16121, 16122, 16429, 29100.6, 29100.7, 34321, and 54790 of, to repeal Sections 20532, 37465, 37558, 37559, 43069, 43070, 43072, 43121, 45311, and 50400 of, to repeal Article 1 (commencing with Section 43200) and Article 2 (commencing with Section 43225) of Chapter 2 of Division 4 of Title 4 of, to add Section 16113.5 to, the Government Code, to repeal Sections 4614.14 and 4640 of the Health and Safety Code, to repeal Sections 5197, 5198, and 5304 of the Public Resources Code, to amend Sections 2229, 2230, 2250, 2252, 2253, 2255, 2262, 2263, 2266, 2271, 2271.2, 2285, 2286, 2308, 2325, 2325.1, and 30462 of, to amend and renumber Section 2233 of, to add Section 2280.1 to, and to repeal Sections 2262.1 and 2263.3 of, the Revenue and Taxation Code, relating to fiscal procedures, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 18950 of the Education Code, as added by Chapter 1010 of the Statutes of 1976, is repealed.

SEC. 1.1. Section 18951 of the Education Code, as added by Chapter 1010 of the Statutes of 1976, is amended to read:

18951. All money acquired by gift, devise, bequest, or otherwise, for the purposes of the library, shall be apportioned to a fund to be designated the library fund, and shall be applied to the purposes authorized in this chapter.

SEC. 1.2. Section 27401 of the Education Code, as amended by Chapter 1561 of the Statutes of 1965, is repealed.

SEC. 2. Section 27402 of the Education Code, as added by Chapter 2 of the Statutes of 1959, is amended to read:

27402. All money acquired by gift, devise, bequest, or otherwise, for the purposes of the library, shall be apportioned to a fund to be designated the library fund, and shall be applied to the purposes authorized in this chapter (commencing at Section 27301).

SEC. 3. Section 16113 of the Government Code is amended to read:

16113. (a) Each county auditor shall file a claim with the Controller on or before the last day of August of each year for reimbursement to local governmental agencies for the tax loss attributable to property on the unsecured roll by reason of the partial exemption for business inventories provided for in Section 219 of the Revenue and Taxation Code, and the reduced assessment ratio of commercial passenger fishing vessels provided for in subdivision (c) of Section 227 of the Revenue and Taxation Code.

(b) Each county auditor shall file a claim with the Controller on or before October 31st of each fiscal year for reimbursement to local governmental agencies for the tax loss attributable to property on the secured roll by reason of the partial exemption for business inventories provided for in Section 219 of the Revenue and Taxation Code, and the reduced assessment ratio of commercial passenger fishing vessels provided for in subdivision (c) of Section 227 of the Revenue and Taxation Code.

SEC. 4. Section 16113.5 is added to the Government Code, to read:

16113.5. Unless otherwise specified by law, whenever reimbursement is to be made to local governmental agencies for the tax loss attributable to the total or partial exemption of property subject to taxation, each county auditor or city auditor shall file a claim with the Controller on or before September 30 for reimbursement of the tax loss attributable to such exemption, for property on both the unsecured and secured rolls.

Out of the amount appropriated by Section 16100, the Controller shall pay on or before December 30 of each year one-half of the amount claimed and shall pay the other one-half on or before April 30.

SEC. 5. Section 16115 of the Government Code is amended to read:

16115. (a) Out of the amount appropriated by Section 16100, the Controller shall pay on or before September 15th of each year to each county auditor the amount claimed under subdivision (a) of Section 16113.

(b) Out of the amount appropriated by Section 16100, the Controller shall pay on or before December 30th of each year to the county auditor one-half of the amount claimed under subdivision (b) of Section 16113 and shall pay the other one-half so claimed on or before April 30th.

SEC. 6. Section 16121 of the Government Code is amended to read:

16121. Revenues paid pursuant to this chapter may be used for county, city, district or other municipal purposes and may, but need not necessarily, be used for purposes of general interest and benefit to the state. It is the purpose of this section to carry out the mandate of subdivision (k) of Section 3 and Section 25 of Article XIII of the Constitution and permit recipients of revenues paid pursuant to this chapter to use such revenues for any purpose for which the recipient could use its property tax revenues.

SEC. 7. Section 16122 of the Government Code is amended to read:

16122. For the purpose of fixing tax rates for ad valorem taxes every taxing agency and revenue district shall compute the rates by including in the base the exempt values for which the homeowners' property tax exemption is granted under subdivision (k) of Section 3 of Article XIII of the Constitution, together with the values of taxable property against which the taxes are levied.

SEC. 8. Section 16429 of the Government Code is amended to read:

16429. (a) The Condemnation Deposits Fund in the State Treasury is continued in existence. The fund consists of all money deposited

in the State Treasury pursuant to Title 7 (commencing with Section 1230.010) of Part 3 of the Code of Civil Procedure and all interest earned or other increment derived from its investment. The State Treasurer shall receive all such moneys, duly receipt for, and safely keep the same in the fund, and for such duty he is liable upon his official bond.

(b) Money in the Condemnation Deposits Fund shall be invested under the provisions of Article 4 (commencing with Section 16470) of Chapter 3.

(c) The State Controller shall apportion as of June 30th and December 31st of each year the interest earned or increment derived and deposited in the fund during the six calendar months ending with such dates. There shall be apportioned and paid to each plaintiff having a deposit in the fund during the six-month period for which an apportionment is made an amount directly proportionate to the total deposits in the fund and the length of time such deposits remained therein, except that no payment shall be made of any interest in the amount of five dollars ($5) or less. Such amounts shall be transferred to the General Fund by the State Controller. The State Treasurer shall pay out the money deposited by a plaintiff in such manner and at such times as the court or judge thereof may, by order or decree, direct. Any residual amount after all required payments have been made shall be paid to the plaintiff if such amount is more than five dollars ($5). If the amount is five dollars ($5) or less, it shall be transferred to the General Fund by the State Controller.

SEC. 9. Section 20532 of the Government Code is repealed.

SEC. 10. Section 29100.6 of the Government Code is amended to read:

29100.6. On or before October 31 of each year each county auditor shall file with the Controller in such form as the Controller directs, a statement of the amounts of exempt values granted for the homeowners' property tax exemption under subdivision (k) of Section 3 and Section 25 of Article XIII of the Constitution for the county, each city and school district or portion thereof within the county, each special district or subdivision or zone thereof or portion thereof within the county, for which a tax levy is carried on the county assessment roll. The auditor shall therein compute and show the total amount of ad valorem tax loss to the county and the cities and districts resulting from the exemption and the statement shall claim such amount against the state for payment of reimbursement.

SEC. 11. Section 29100.7 of the Government Code is amended to read:

29100.7. On or before October 31 of each year the auditor of each city whose taxes are not collected by the county shall file with the Controller in such form as the Controller directs, a statement of the amounts of the exempt values granted for the homeowners' property tax exemption under subdivision (k) of Section 3 and Section 25 of Article XIII of the Constitution for the city, each district, subdistrict

or special zone within the city for which a tax levy is carried on the city assessment roll and the tax rates applicable to each. The auditor shall therein compute and show the total amount of ad valorem tax loss to the city and the districts resulting from the exemption and the statement shall claim such amount against the state for payment of reimbursement.

SEC. 12. Section 34321 of the Government Code is amended to read:

34321. The notice shall require the voters to cast ballots containing the words "for incorporation" and "against incorporation," and the names of persons to be voted for to fill the prescribed elective offices. Pursuant to the requirements of Section 2286 of the Revenue and Taxation Code, the notice shall also require the ballots to contain the maximum property tax rate for the proposed new city as determined pursuant to Section 54790.

SEC. 13. Section 37465 of the Government Code is repealed.

SEC. 14. Section 37558 of the Government Code is repealed.

SEC. 15. Section 37559 of the Government Code is repealed.

SEC. 16. Section 43069 of the Government Code is repealed.

SEC. 17. Section 43070 of the Government Code is repealed.

SEC. 18. Section 43072 of the Government Code is repealed.

SEC. 19. Section 43121 of the Government Code is repealed.

SEC. 20. Article 1 (commencing with Section 43200) of Chapter 2 of Division 4 of Title 4 of the Government Code is repealed.

SEC. 21. Article 2 (commencing with Section 43225) of Chapter 2 of Division 4 of Title 4 of the Government Code is repealed.

SEC. 22. Section 45311 of the Government Code is repealed.

SEC. 23. Section 50400 of the Government Code is repealed.

SEC. 24. Section 54790 of the Government Code is amended to read:

54790. The commission shall have the following powers and duties, subject to the limitations upon its jurisdiction herein set forth:

(a) To review and approve or disapprove with or without amendment, wholly, partially or conditionally proposals for:

(1) The incorporation of cities, provided that the commission shall determine the maximum property tax rate for a proposed new city which, pursuant to the provisions of subdivision (a) of Section 2286 of the Revenue and Taxation Code, shall appear on the ballot in the election on incorporation. The determination of such maximum property tax rate shall be subject to the provisions of Section 54799.1.

(2) The formation of special districts.

(3) The annexation of territory to local agencies, (other than local agencies the annexation of territory to which is required to be made pursuant to the provisions of Division 1 (commencing with Section 56000) of Title 6 of this code); provided that a commission shall not impose any conditions which would directly regulate land use or subdivision requirements. Nothing in this subsection, however, shall be construed as prohibiting a commission from requiring, as a condition to annexation, that a city prezone the territory to be

annexed; provided that the commission shall not specify how or in what manner the territory shall be prezoned.

(4) The exclusion of territory from a city.

(5) The disincorporation of a city.

(6) The consolidation of two or more cities.

(7) The development of new communities within the jurisdiction of the commission pursuant to Sections 33021 and 33298 of the Health and Safety Code.

(b) To adopt standards and procedures for the evaluation of proposals, including standards for each of the factors enumerated in Section 54796.

(c) To make and enforce rules and regulations for the orderly and fair conduct of hearings by the commission.

(d) To incur usual and necessary expenses for the accomplishment of its functions.

(e) To appoint and assign staff personnel and to employ or contract for professional or consulting services to carry out and effect the functions of the commission.

(f) To review the boundaries of the territory involved in any proposal with respect to the definiteness and certainty thereof, the nonconformance of proposed boundaries with lines of assessment or ownership, and other similar matters affecting the proposed boundaries.

(g) To waive the restrictions of Section 34312 and of subdivision (1) of Section 35002.3, and Sections 35158 and 35326 if it finds that the application of the restrictions would be detrimental to the orderly development of the community and that the area that would be enclosed by the annexation or incorporation is so located that it cannot reasonably be annexed to another city or incorporated as a new city.

(h) To waive the application of Section 25210.90 if it finds the application would deprive an area of a service needed to insure the health, safety or welfare of the area's residents and if it finds that such waiver would not affect the ability of a city to provide any service; provided, however, that within 60 days of the inclusion of the territory within the city, the governing body may adopt a resolution nullifying the waiver.

SEC. 25. Section 4614.14 of the Health and Safety Code is repealed.

SEC. 26. Section 4640 of the Health and Safety Code is repealed.

SEC. 27. Section 5197 of the Public Resources Code is repealed.

SEC. 28. Section 5198 of the Public Resources Code is repealed.

SEC. 29. Section 5304 of the Public Resources Code is repealed.

SEC. 30. Section 2229 of the Revenue and Taxation Code is amended to read:

2229. No classification or exemption of property for purposes of ad valorem property taxation enacted by the Legislature after January 1, 1973, shall extend for more than five years or shall exempt more than 75 percent of the value thereof from such taxation.

Any such classification or exemption enacted by the Legislature

after January 1, 1973, shall be reimbursed by the state for the 1973–1974 fiscal year and for each fiscal year thereafter.

For purposes of this section the actual loss of revenue does not include potential revenue from property of a type which was not being assessed and taxed on January 1, 1973.

Claims for reimbursement shall be filed according to the procedure provided in Section 16113 of the Government Code. Upon appropriation of reimbursement funds by the Legislature, the Controller shall pay such claims at the times provided in subdivision (b) of Section 16115 of the Government Code. Such claims shall be audited as provided in Section 16114 of the Government Code.

The Legislative Analyst shall review any classification or exemption of property to which this section is applicable and shall report to the Legislature on the general economic effects thereof. Such report shall be submitted at least one year prior to the date on which the classification or exemption is scheduled to terminate.

Any claim alleging that the reimbursement requirements of this section have not been complied with shall be presented directly to the Legislature and the provisions of Sections 905.2 and 945.4 of the Government Code shall not apply thereto.

SEC. 31. Section 2230 of the Revenue and Taxation Code is amended to read:

2230. The state shall annually reimburse cities and counties for the net loss of revenue from each statute enacted after January 1, 1973, which provides for a sales or use tax exemption. The reimbursement shall be made, when funds have been appropriated by the Legislature, as follows:

(a) Twenty percent of the local net loss shall be distributed to the counties in the same ratio as the total amount of sales and use taxes collected in each county is to the whole. This amount of money shall be deposited by the board of supervisors in the local transportation fund established pursuant to Section 29530 of the Government Code. These moneys shall become part of the local transportation fund and shall be appropriated in the same manner and for the same purposes specified in Section 29531 of the Government Code.

(b) Eighty percent of the local net loss shall be distributed to cities and counties in the same ratio as provided in Section 30462 for the distribution of moneys from the Cigarette Tax Fund.

The distribution of reimbursement moneys pursuant to this section shall be made at the same time and in the same manner as provided in Section 30462 for the distribution of moneys from the Cigarette Tax Fund.

For purposes of this section the Director of Finance shall estimate the annual net loss of revenue to local agencies. In the case of legislative bills which provide for a sales or use tax exemption, the Director of Finance shall prepare an estimate of the annual net loss of revenue to local agencies during the initial fiscal year in which the bill becomes effective. An appropriation consistent with such estimate shall be included in the bill. In subsequent fiscal years an

appropriation to reimburse local agencies as required by this section shall be included in the State Budget. The amount included each year in the State Budget shall be changed by the estimated percentage change from the prior year, in the amount of revenue distributed to cities and counties pursuant to Part 1.5 (commencing with Section 7200) of Division 2.

For purposes of this section the net loss of revenue does not include (i) potential revenue from the sale or use of property of a type which was not being taxed on January 1, 1973, or (ii) the amount which would have been deducted by the Board of Equalization pursuant to Section 7204.3 for the cost of administering local sales and use tax ordinances.

In lieu of distributing reimbursement revenue as provided in this section, any statute exempting property from sales or use tax may provide an alternative procedure for such distribution.

Any claim alleging that the reimbursement requirements of this section have not been complied with shall be presented directly to the Legislature and the provisions of Sections 905.2 and 945.4 of the Government Code shall not apply thereto.

SEC. 32. Section 2233 of the Revenue and Taxation Code, as added by Chapter 486 of the Statutes of 1975, is amended and renumbered to read:

2234. In the event that the amount appropriated for reimbursement purposes pursuant to Section 2231 is not sufficient to pay all of the claims approved by the Controller, the Controller shall prorate claims in proportion to the dollar amount of approved claims timely filed and on hand at the time of proration. The Controller shall adjust prorated claims if supplementary funds are appropriated for this purpose.

In the event that the Controller finds it necessary to prorate claims as provided by this section, he shall immediately report such action to the Department of Finance and to the chairman of the respective committees in each house of the Legislature which consider appropriations.

SEC. 33. Section 2234 of the Revenue and Taxation Code, as amended by Chapter 105 of the Statutes of 1975, is amended and renumbered to read:

2235. Claims for direct and indirect costs filed pursuant to Sections 2229 and 2231 shall be filed in the manner prescribed by the State Controller.

SEC. 34. Section 2250 of the Revenue and Taxation Code is amended to read:

2250. The State Board of Control, pursuant to the provisions of this article, shall hear and decide upon a claim by a local agency or school district that such local agency or school district has not been reimbursed for all costs mandated by the state as required by Section 2231.

Notwithstanding any other provision of law, this article shall provide the sole and exclusive procedure by which the Board of

Control shall hear and decide upon a claim that a local agency or school district has not been reimbursed for all costs mandated by the state as required by Section 2231.

SEC. 35. Section 2252 of the Revenue and Taxation Code is amended to read:

2252. The Board of Control shall adopt procedures for receiving claims pursuant to this article and for providing a hearing on such claims. Such procedures shall fall within the scope of subdivision (b) of Section 13920 of the Government Code, except that such procedures shall be adopted by a majority vote of the board membership prescribed by Section 2251. The hearing procedure shall provide for presentation of evidence by the claimant and by the Department of Finance and any other affected department or agency. A vote of a majority of the board members shall be required to sustain a claim submitted pursuant to this article.

SEC. 36. Section 2253 of the Revenue and Taxation Code is amended to read:

2253. Claims submitted pursuant to this article for reimbursement, as required by Section 2231, of a cost mandated by the state shall be limited to the following:

(a) A claim alleging that the Controller has incorrectly reduced payments to a local agency pursuant to the provisions of paragraph (2) of subdivision (d) of Section 2231;

(b) A claim alleging that an executive order has incorrectly specified that it does not involve any cost mandated by the state; or

(c) A claim which has not been paid because it was submitted to the Controller after the deadline specified in subdivision (d) of Section 2231; provided that any claim submitted pursuant to this subdivision shall be allowed in an amount equal to 80 percent of the amount which would have been allowed pursuant to subdivision (d) of Section 2231; and provided further that any such claim shall be submitted within one year of the deadline specified in subdivision (d) of Section 2231.

SEC. 37. Section 2255 of the Revenue and Taxation Code is amended to read:

2255. At least twice each calendar year the Board of Control shall report to the Legislature on the number of claims it has allowed pursuant to the provisions of this article. Such report may be included in the report required by Section 13928 of the Government Code. Immediately on receipt of such report a local government claims bill shall be introduced in each house of the Legislature by the chairman of the committee that considers appropriations. The local government claims bill, at the time of its introduction, shall provide for an appropriation sufficient to pay all claims awarded pursuant to the provisions of this article, by the Board of Control during the preceding calendar year.

SEC. 38. Section 2262 of the Revenue and Taxation Code is amended to read:

2262. The maximum property tax rate which may be levied by any

city shall be:

(1) For general law cities, the aggregate of all citywide property tax rates which were levied for general city purposes in either the 1971–1972 or the 1972–1973 fiscal year, at the option of the city council; provided that if the aggregate of such property tax rates was less than one dollar ($1) in both the 1971–1972 and the 1972–1973 fiscal years, the maximum property tax rate for such cities shall be one dollar ($1). In addition, any property tax rate authorized by the voters of a city as provided in Section 43068 of the Government Code which was not levied as part of the aggregate of citywide taxes in the fiscal year selected by the city council pursuant to this subdivision may also be levied.

(2) For charter cities, the maximum rate, or rates, specified in the charter; provided that any rate in excess of such maximum rate which is authorized by Section 43072 of the Government Code or by Section 35 of Chapter 1 of the Statutes of 1968 (First Extraordinary Session) and which was levied during either the 1971–1972 or the 1972–1973 fiscal year may continue to be levied. If no maximum rate is specified in the charter, or if a maximum rate is specified but such rate is applicable only to a portion of the purposes for which such city is levying an ad valorem property tax, the maximum rate shall be the rate levied by the city for either the 1971–1972 or the 1972–1973 fiscal year, at the option of the city council. In addition, if the voters of a charter city, pursuant to provisions of the charter or of general law, have authorized an additional rate, such augmented rate shall be the maximum property tax rate.

SEC. 39. Section 2262.1 of the Revenue and Taxation Code is repealed.

SEC. 40. Section 2263 of the Revenue and Taxation Code is amended to read:

2263. The maximum property tax rate which may be levied by, or on behalf of, a special district formed prior to January 1, 1972, shall be:

(1) The maximum property tax rate authorized by the enabling statute under which the district is organized; provided that any rate in excess of such maximum rate which is authorized by Section 35 of Chapter 1 of the Statutes of 1968 (First Extraordinary Session) and which was levied during either the 1971–1972 or the 1972–1973 fiscal year may continue to be levied.

(2) If no such maximum property tax rate is provided by statute, or if a maximum property tax rate is provided but such rate is applicable only to a portion of the purposes for which such district is levying an ad valorem property tax, the maximum rate shall be the rate levied by, or on behalf of, the district for either the 1971–1972 or the 1972–1973 fiscal year, at the option of the governing body of the district. If a district operates on a calendar year, the maximum rate which may be levied pursuant to this subdivision shall be that levied in either calendar 1972 or calendar 1973, at the option of the governing body of the district.

(3) In addition, if the voters of a district, pursuant to provisions of the enabling statute under which the district is organized, have authorized an additional rate, such augmented rate shall be the maximum property tax rate.

SEC. 41. Section 2263.3 of the Revenue and Taxation Code is repealed.

SEC. 42. Section 2266 of the Revenue and Taxation Code is amended to read:

2266. This section shall provide an alternate procedure to the other provisions of this chapter for establishing maximum property tax rates.

The maximum property tax rate which may be levied by, or on behalf of, a local agency shall be a rate equivalent to the following:

(1) The maximum property tax rate which could have been levied for such agency pursuant to any provision of this chapter for the prior fiscal year, plus

(2) A property tax rate, not less than zero, on the secured roll which would produce an amount of property tax revenue equal to the following:

(a) The amount of property tax revenue which would be received by such agency in the current fiscal year by levying the rate identified in subparagraph (1) of this paragraph against the agency's total assessed value for the current fiscal year, subtracted from

(b) The amount of property tax revenue which would be received by such agency in the current fiscal year if its property tax revenue from the prior year were to change by a percentage equal to the following: the percentage change in the population of the agency (as determined pursuant to Section 2227 or 2228) plus the percentage change in the cost of living (as determined pursuant to Section 2212) which is applicable to the agency.

As used in this section "property tax revenue from the prior year" means the revenue which would have been received by a local agency in the prior fiscal year by levying the maximum property tax rate authorized by this chapter against the total assessed value for such year.

As used in this section "total assessed value" means all assessed value subject to ad valorem property taxation by a local agency plus assessed value attributable to the homeowners' property tax exemption and to the business inventory property tax exemption.

Any property tax rate established pursuant to this section shall be the maximum property tax rate for a local agency until such rate is subsequently changed or adjusted pursuant to the provisions of this section or other provisions of this chapter.

SEC. 43. Section 2271 of the Revenue and Taxation Code is amended to read:

2271. A local agency may levy, or have levied on its behalf, a rate in addition to the maximum property tax rate established pursuant to this chapter (commencing with Section 2201) to pay costs mandated by the federal government or costs mandated by the

courts or costs mandated by initiative enactment, which are not funded by federal or state government.

The Controller may audit any rate imposed under this section and any data related to the establishment thereof. If the Controller determines that such rate exceeds a rate which would be necessary to meet the federally mandated, initiative-mandated or court-mandated costs, or if the Controller determines that such rate has been levied to pay any cost mandated by a court which has resulted from litigation entered into in order to avoid the property tax rate limits established by this chapter, or if the Controller determines that a local agency has erroneously concluded that it is subject to costs mandated by the courts or costs mandated by the federal government, he shall immediately notify the local agency of such determination, and the local agency shall reduce its property tax rate by an appropriate amount for the next succeeding fiscal year. In the event that a local agency fails to make such a reduction in its property tax rate, the Controller shall request the Attorney General to bring an action under Chapter 2 (commencing with Section 1084) of Title 1 of Part 3 of the Code of Civil Procedure to force a reduction in the rate.

SEC. 44. Section 2271.2 of the Revenue and Taxation Code is amended to read:

2271.2. The Controller shall issue, and shall revise, as needed, advisory guidelines to assist local agencies in determining when an additional property tax rate may be levied pursuant to Section 2271.

SEC. 45. Section 2280.1 is added to the Revenue and Taxation Code, to read:

2280.1. A city may levy, or have levied on its behalf, a rate in addition to the maximum tax rate established pursuant to this chapter in order to comply with the provisions of Section 43073 of the Government Code.

SEC. 46. Section 2285 of the Revenue and Taxation Code is amended to read:

2285. For the purposes of this article, the term "qualified voter of the local agency" means a voter who meets the specific qualifications, if any, set forth for voters of that local agency for other purposes. If no such specific qualifications exist, the term means a registered voter, as defined in the Elections Code, residing within the area within which the election will be held; if there are no registered voters within that area, the term means a landowner, in which case each landowner shall have one vote. If such landowner is a partnership, joint tenancy or tenancy in common, the vote to which such landowner is entitled may be cast by any of the partners, joint tenants or tenants in common; provided that only one such vote shall be cast on behalf of the landowner. If such landowner is a corporation, the vote to which such corporation is entitled may be cast by any officer of such corporation who is empowered to act on behalf of the corporation.

As used in this section "landowner" means any person or

corporation shown on the last equalized assessment roll as the owner of land; provided that where such person or corporation is no longer the owner, the term shall mean any person or corporation entitled to be shown as the owner on the next assessment roll.

SEC. 47. Section 2286 of the Revenue and Taxation Code is amended to read:

2286. (a) No local agency formed after the effective date of this chapter shall levy, or have levied on its behalf, any property tax rate, except an additional property tax rate authorized pursuant to Article 5 (commencing with Section 2270) of this chapter, unless a maximum property tax rate has been approved for such agency. If an election is held on the formation of a local agency, the maximum property tax rate for such agency shall be included in describing the local agency on the ballot in the formation question.

(b) In the event that a local agency which was in existence on the effective date of this chapter desires to change its maximum property tax rate, the governing body of such agency shall call a special election, pursuant to the provisions of this article, to approve a new maximum property tax rate for the agency.

(c) No maximum property tax rate described in subdivision (a) or (b) shall be approved except by a majority vote of the qualified voters of that local agency voting on the issue.

SEC. 48. Section 2308 of the Revenue and Taxation Code is amended to read:

2308. The maximum property tax rate for a local agency assuming the responsibility for providing a program or service and for levying a tax to pay the cost thereof, as a result of a functional consolidation, shall be the maximum property tax rate for such agency established prior to the functional consolidation plus such additional rate as may be necessary to pay the actual costs of providing such program or service.

The Controller may audit any rate imposed under this section and if he determines that the rate exceeds a rate which would be necessary to pay the actual costs incurred as a result of functional consolidation, he shall immediately notify the local agency of such determination and the local agency shall reduce its property tax rate by an appropriate amount for the next succeeding fiscal year. In the event that a local agency fails to make such a reduction in its property tax rate, the Controller shall request the Attorney General to bring an action under Chapter 2 (commencing with Section 1084) of Title 1 of Part 3 of the Code of Civil Procedure to force a reduction in the rate.

SEC. 49. Section 2325 of the Revenue and Taxation Code is amended to read:

2325. Annually, no later than 15 days after the property tax rate for a local agency has been fixed, each local agency shall report to the Controller, on a form to be specified by the Controller, the property tax rate levied by, or on behalf of, the agency for the current fiscal year. Such information shall show the amount of the rate, if any,

levied pursuant to Sections 2260, 2261, 2262, 2262.1, 2263, 2263.1, 2263.2, 2264, 2265, 2266, 2266.1, 2267, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279 and 2280. Such information shall also show any property tax rate authorized or levied pursuant to the provisions of Article 6 (commencing with Section 2285), Article 7 (commencing with Section 2295), and Article 8 (commencing with Section 2305). Information with respect to any rate levied pursuant to Section 2270 shall also indicate the rate levied to pay interest and redemption charges on bonded indebtedness, the rate levied to pay the cost of retirement and pension benefits and the rate levied to make payments to special funds as required by charter. The Controller shall, by regulation, require any tax rate exempt from rate limitations imposed by this chapter to be reported in the manner specified by this section.

SEC. 50. Section 2325.1 of the Revenue and Taxation Code is amended to read:

2325.1. In the event that the Controller determines that an error has occurred in establishing a property tax rate levied pursuant to any provision of this chapter, he shall immediately notify the local agency of such error and the local agency shall reduce its property tax rate by an appropriate amount for the next succeeding fiscal year. In the event that a local agency fails to make such a reduction in its property tax rate, the Controller shall request the Attorney General to bring an action under Chapter 2 (commencing with Section 1084) of Title 1 of Part 3 of the Code of Civil Procedure to force a reduction in the rate.

SEC. 51. Section 30462 of the Revenue and Taxation Code is amended to read:

30462. All money deposited in the Cigarette Tax Fund under this part is hereby appropriated, subject to the provisions of any budget bill heretofore or hereafter enacted and Section 11006 of the Government Code, and shall, upon order of the State Controller, be drawn therefrom and allocated for the following purposes:

(a) To pay the refunds authorized by this part.

(b) To the Controller an amount equal to 30 percent of the money in the fund which is derived from taxes imposed on and after October 1, 1967, less 30 percent of the cost of administering this part, such money to be disbursed by the Controller on or before December 15, 1967, and on the 15th day of each month thereafter to each city and county in this state in the following manner:

(1) The money to be allocated pursuant to this subdivision shall first be divided into two separate accounts, one for the cities and counties and counties of this state and one for the cities of this state. In order to determine the amount of money in each account, the Controller shall first determine the amount due each county, city and county and city in this state in the proportion that sales tax revenues transmitted pursuant to Part 1.5 (commencing with Section 7200) of this division to each such city, city and county and in the unincorporated territory of a county bear to the total of such

revenue in the state. In making such determinations, the Controller shall not consider any revenues derived from that portion of the taxes imposed by the county at a rate in excess of 1 percent pursuant to Part 1.5 (commencing with Section 7200) of this division. The amount due each county and city and county shall be allocated in accordance with this formula and the amount due each city shall be allocated pursuant to paragraph (2) or paragraph (3) of this subdivision.

(2) Upon the application of any city for an allocation pursuant to this paragraph, the Controller shall determine the amount of revenue derived from the city's selective local tax on, or with respect to, the sale, distribution, use, consumption, or holding of cigarettes or any other tobacco product during the 1966–1967 fiscal year, or which would have been derived from such tax if the rate in effect on August 1, 1967, had been in effect throughout such fiscal year. This amount shall be adjusted, beginning on July 1, 1969, by the percentage by which the cigarette tax revenues have increased or decreased. For the 1969–1970 fiscal year the percentage shall be derived by comparing the revenues deposited in the Cigarette Tax Fund during the period January 1 through June 30, 1969, with those deposited during the period January 1 through June 30, 1968. For the 1970–1971 fiscal year and each fiscal year thereafter, the percentage shall be derived by comparing revenues deposited in the Cigarette Tax Fund during the preceding fiscal year with those deposited during the entire 1968–1969 fiscal year. The amount computed after applying the percentage factor shall then be reduced by deducting the cost to the city of administering and collecting any such tax for the 1966–1967 fiscal year. If such amount, when divided by 12, is more than the amount which would be disbursed to the city at the time of the next allocation pursuant to paragraph (3) of this subdivision, an amount equal to the amount which such city would have netted from its own tax shall be allocated to such city each month pursuant to this paragraph from the account established for cities in paragraph (1), and no allocation shall be made to such city pursuant to paragraph (3) until such time as the city rescinds its right to receive an allocation under this paragraph. A city which has rescinded such right may not, thereafter, file another application for an allocation pursuant to this paragraph. No city shall be eligible for a subvention pursuant to this paragraph unless, on August 1, 1967, it in fact imposed a selective local tax on, or with respect to, the sale, distribution, use, consumption or holding of cigarettes or any other tobacco product.

(3) (A) After making any allocations required by paragraph (2) of this subdivision, 50 percent of the revenue remaining in the account for the cities of this state shall be allocated to the remaining cities in the proportion that sales tax revenues transmitted pursuant to Part 1.5 (commencing with Section 7200) of this division to each remaining city bears to the total of such revenue transmitted to all remaining cities.

(B) Fifty percent thereof shall be paid to the cities receiving an allocation under this paragraph in the proportion that the population of each such city bears to the total population of all cities in this state receiving an allocation under this paragraph, as determined by the Controller. For the purpose of this subdivision the population of each city is that determined in the manner specified in Section 11005 of this code.

(C) The balance remaining in the fund shall be transferred to the General Fund of this state.

The allocation provided for in subdivision (b) shall not be made to any county, or city which, after October 1, 1967, imposes a selective local tax on, or with respect to, the sale, distribution, use, consumption, or holding of cigarettes or any other tobacco product.

Moneys disbursed pursuant to subdivision (b) of this section may be used for county, city and county, or city purposes, and may, but need not necessarily, be used for purposes of general interest and benefit to the state.

SEC. 52. The Legislature hereby finds and declares that the amendments to Sections 2229, 2230, and 2250 of the Revenue and Taxation Code, as amended by this act, are declaratory of existing law.

SEC. 55. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to provide clarification of the procedures for submitting claims for the State Board of Control pursuant to Article 3.5 (commencing with Section 2250) of Chapter 3 of Part 4 of Division 1 of the Revenue and Taxation Code and for the orderly, timely and expeditious submission of such claims to the Legislature, this act must go into effect immediately.

CHAPTER 310

An act to add Section 8365.5 to the Education Code, relating to schools, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1977. Filed with Secretary of State July 8, 1977.]

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

SECTION 1. Section 8365.5 is added to the Education Code, to read:

8365.5. For the purposes of Section 44882, service of 134 days, consecutive or nonconsecutive, by certificated personnel in a children's center during a one-year period, July 1 to June 30th, shall

be considered as one year of service.

This section shall not be construed as permitting a certificated employee assigned 12 calendar months of the year to acquire permanent classification with respect to employment for more than the regular academic year, as defined in Section 37250.

This section shall be applicable to service rendered between July 1, 1976, and June 30, 1977, and subsequent one-year periods.

SEC. 2. Notwithstanding any provision of Article 5 (commencing with Section 53090) of Chapter 1 of Part 1 of Division 2 of Title 5 of the Government Code, whenever a nonprofit, nonsectarian residential treatment and education facility leases facilities to a county superintendent of schools on or before June 30, 1978, the county superintendent of schools may render a city or county zoning ordinance inapplicable to a proposed use of property by the county superintendent except when the proposed use of the property by the county superintendent is for nonclassroom facilities, including but not limited to, warehouses, administrative buildings, automotive storage and repair buildings. Such use of property by the county superintendent shall not exceed the duration of the lease or any extension or renewal thereof. The county superintendent shall, within 10 days, notify the city or county concerned of such action. If the county superintendent has taken such action the city or county may commence an action in the superior court of the county whose zoning ordinance is involved or in which is situated the city whose zoning ordinance is involved, seeking a review of such action of the county superintendent to determine whether it was arbitrary and capricious. The city or county shall cause a copy of the complaint to be served on the county superintendent. If the court determines that such action was arbitrary and capricious, it shall declare it to be of no force and effect, and the zoning ordinance in question shall be applicable to the use of the property by such county superintendent.

For purposes of this section, "proposed use of property" includes existing or to be constructed publicly or privately owned property, or portion thereof, which is leased to a school district or county superintendent of schools and which is used by such school district or county superintendent for classroom purposes. For purposes of this section "classroom purposes" shall be deemed to include, without limitation, school principal and secretarial offices, teacher's lounge and conference room, toilet facilities, gymnasium and physical education facilities, and related storage facilities.

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

In order that the provisions of this act may be made applicable to certificated employees who rendered the requisite service in a children's center during the one-year period of July 1, 1976, to June 30, 1977, it is necessary that the act take effect immediately.

It is further necessary that this act take effect immediately so as to

prevent delay in the proposed operation of a school for educationally handicapped pupils to be maintained by a county superintendent of schools in leased facilities, which school is planned to commence operation early in the 1977–78 school year.

CHAPTER 311

An act to amend Section 75033 of the Government Code, relating to the Judges' Retirement Law.

[Became law without Governor's signature July 11, 1977.
Filed with Secretary of State July 11, 1977.]

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

SECTION 1. Section 75033 of the Government Code is amended to read:

75033. Notwithstanding any other provision of this chapter, if the service of a judge, who has been elected or appointed as such, is discontinued by any means other than death, resignation, recall, impeachment, or retirement pursuant to this chapter, he shall have the right to elect in writing filed with the State Controller within ninety (90) days thereafter, and without right of revocation, whether to allow his accumulated contributions to remain in the fund. A judge who after the effective date of the 1972 amendments to this section leaves his office to accept any lucrative office under the United States within the purview of Section 28, Article IV, of the Constitution shall not be eligible for deferred retirement under this section. Failure to make such election shall be deemed an irrevocable election to withdraw his accumulated contributions. A judge who so elects to allow his accumulated contributions to remain in the fund shall, upon his application therefor to the State Controller be retired, and after attaining age 65 receive a retirement allowance based upon the judicial service with which he is credited, in the same manner as other judges, except that his retirement allowance is an annual amount equal to 5 percent of the compensation payable, at the time payments of the allowance fall due, to the judge holding the office which the retired judge last held prior to the discontinuance of his service as judge, multiplied by the number of years and fractions of years of service with which the retired judge is entitled to be credited at the time of such discontinuance of his service, not to exceed eight years.

This section shall not be applicable to any person who becomes a judge after the operative date of the amendments to this section during the 1973–74 Regular Session.

The amendments to this section during 1977 shall also be applicable to persons who elected to allow their accumulated contributions to remain in the fund prior to January 1, 1978.

CHAPTER 312

An act to amend Section 893 of the Welfare and Institutions Code, relating to juveniles.

[Became law without Governor's signature July 11, 1977.
Filed with Secretary of State July 11, 1977.]

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

SECTION 1. Section 893 of the Welfare and Institutions Code is amended to read:

893. (a) The board of supervisors of any county with a population of five million or more may provide and maintain a school or schools at a juvenile home, ranch or camp for the purpose of meeting the special educational needs of wards and dependent children of the juvenile court. Such school or schools shall be conducted in such a manner and under such conditions as will minister to the specific individualized educational and training needs of each ward and dependent child in furtherance of the objective of assisting each of them, as much as possible, to fulfull his potential to be a contributing, law-abiding member of society. In the event the board of supervisors determines that such objective may be promoted as well as or better by provision of educational and training services by a qualified private organization, the board of supervisors on behalf of the county may enter into annual contracts, with or without options to renew, for the provision of such services by such an organization.

(b) The Legislature hereby finds and determines that there are persons whose educational and vocational backgrounds and personal leadership qualities peculiarly fit them to instruct and train wards of the court in promotion of the aforesaid objective, but who lack certification qualifications. Accordingly, the probation officer is hereby authorized to certify to the county board of education and the Superintendent of Public Instruction that a person employed or to be employed by the probation officer or by an organization retained by contract to provide vocational training or vocational training courses at or in connection with the school or schools is peculiarly fit to provide wards of the court such vocational training in promotion of the aforesaid objective.

Such certification shall specify the type or types of service the person is qualified to provide. Upon filing of such certification, such person shall be deemed to be a certificated employee for purposes of authorizing him to provide the services described in the certificate and for apportionment purposes.

(c) The individual school or schools shall have a maximum enrollment of 100 students.

(d) The county superintendent of schools shall report on behalf of the county the average daily attendance for the schools and classes maintained by the county in such school or schools in the manner

provided in Section 17601.1 of the Education Code and other provisions of law.

(e) The Superintendent of Public Instruction shall compute the amount of allowance to be made to the county by reasons of the average daily attendance at such school or schools by mutiplying the average daily attendance by the foundation program amount for a high school district which has an average daily attendance of 301 or more during the fiscal year, and shall make allowances based thereon and shall apportion to the county, the allowances so computed in the same manner and at the same times as would be done with respect to allowances and apportionments to the county school service fund.

CHAPTER 313

An act to amend Sections 1042 and 2506 of the Education Code, relating to county boards of education, and declaring the urgency thereof, to take effect immediately.

[Became law without Governor's signature July 11, 1977.
Filed with Secretary of State July 11, 1977.]

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

SECTION 1. Section 1042 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

1042. County boards of education may:

(a) Adopt rules and regulations governing the administration of the office of the county superintendent of schools.

(b) Review the county superintendent of schools annual itemized estimate of anticipated revenue and expenditures before such annual itemized estimate is filed with the auditor as required by Section 29040 of the Government Code and make such revisions, reductions or additions therein that it deems advisable and proper. No such itemized estimate shall be filed by the county superintendent of schools or be approved by the board of supervisors until it has first been so reviewed and approved by the county board of education.

(c) In the name by which the board of education is designated, acquire, lease, lease-purchase, hold and convey real property for the purpose of housing the offices and the services of the county superintendent of schools, except that this subdivision shall only apply to such county boards of education to which all the duties and functions of the county board of supervisors have been transferred pursuant to Section 1080.

(d) Contract with and employ any persons for the furnishing to the board of special services and advice in financial, economic, accounting, engineering, legal, or administrative matters if such persons are specially trained and experienced and competent to

perform the special services required. The board may pay from any available funds such compensation to such persons as it deems proper for the services rendered.

SEC. 2. Section 2506 of the Education Code is amended to read:

2506. (a) The county superintendent shall have a maximum tax rate available for the operation, maintenance and housing of the county office, including any costs associated with the operation of the county board of education and the county committee on school district organization, and for any ongoing program, except children's center programs maintained by the county superintendent of schools, not included in any previous section of this article.

(b) For fiscally independent county superintendent offices, the maximum allowable tax rate shall be the rate levied for these purposes in 1971–72 or 1972–73, whichever is higher, minus that portion of the rate levied for capital outlay and juvenile hall purposes. This maximum rate may be exceeded in the amount and under the terms specified in Section 2266 of the Revenue and Taxation Code.

(c) For county superintendent offices which become independent on and after July 1, 1974, the maximum allowable tax rate shall be that rate which was levied or could have been levied in the preceding fiscal year pursuant to subdivision (d) of this section. This maximum rate may be exceeded in the amount and under the terms specified in Section 2266 of the Revenue and Taxation Code.

(d) For fiscally nonindependent county superintendent offices, the maximum allowable tax rate shall be computed by determining the amount of expenditures for the county superintendent of schools' office, exclusive of capital outlay expenditures and expenditures for juvenile hall purposes, in 1971–72 and 1972–73 which were funded from property tax revenues attributable to the county general fund. The amount for each year shall be converted to a tax rate equivalent for that year by dividing each amount by the assessed value of the county in that year and multiplying the quotient by 100; the higher of the two resulting tax rate equivalents shall be the maximum allowable tax rate. This maximum tax rate may be exceeded in the manner and under the terms specified in Section 2266 of the Revenue and Taxation Code.

(e) The maximum allowable tax rate described in this section is not intended to prohibit a county from augmenting the budget of the county superintendent of schools offices from general county funds. If the budget of the county superintendent of schools, as set by the county, does not require the full amount of the maximum allowable rate, the difference between the maximum rate and the actual rate required shall not be levied and shall not be available for any other county purpose.

(f) The maximum allowable tax rates described in this section may be increased by a majority vote of the qualified electors of the county at an election which may be ordered by the county board of education in fiscally independent county superintendent of schools

offices or by the county board of supervisors in fiscally nonindependent county superintendent of schools offices. Such a proposition may be voted only in conjunction with a general countywide election.

(g) Notwithstanding any other provision of this section, where a board of supervisors transfers duties and functions to a board of education pursuant to Section 1080 on or after July 1, 1975, the maximum allowable tax rate described in this section shall be computed by determining the amount of expenditures for the county board of education, the county committee on school district organization and the county superintendent of schools' office, exclusive of capital outlay expenditures and expenditures for juvenile hall purposes in the year immediately preceding the date on which such transfer becomes effective, which were funded from property tax revenues attributed to the county general fund and from property tax revenues attributed to the tax rate authorized in subdivision (c) of this section. The amount for such budget year shall be converted to a tax rate equivalent for that year by dividing the total of the property tax revenues by the assessed value of the county in that year and multiplying the quotient by 100. In any county in which the public schools under the jurisdiction of the county superintendent of schools have a total average daily attendance in excess of 450,000, in kindergarten and grades 1 to 12, inclusive, the computation prescribed by the preceding sentence shall be made utilizing the secured assessed value of the county, after adjustment for redevelopment increments, with the exclusion of the assessed value with respect to impound tax revenues, and after due allowance for delinquencies. A maximum tax rate computed pursuant to this subdivision may be exceeded in the manner and under the terms specified in Section 2266 of the Revenue and Taxation Code.

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

In order that county superintendents of schools may acquire urgently needed facilities at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 314

An act making an appropriation to pay the claims of the Secretary of the State Board of Control, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 11, 1977. Filed with Secretary of State July 11, 1977.]

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

SECTION 1. The sum of two million four hundred thousand seven hundred forty-two dollars and ninety-three cents ($2,400,742.93) is hereby appropriated from the funds indicated to the Director of Finance for allocation for the payment of claims in accordance with the following schedule:

To the State Board of Control to pay the claims of the Secretary of the State Board of Control:

General Fund	$1,662,970.08
State Transportation Fund	
Motor Vehicle Account	12,559.66
State Highway Account	31,661.93
Transportation Tax Fund	
Motor Vehicle Account	4,414.00
Motor Vehicle License Fee Account	4,298.00
State Construction Program Fund, Bond Act of 1968	156,406.00
Chiropractic Examiners Fund	50.00
Employment Development Contingent Fund	4,743.30
Harbors and Watercraft Revolving Fund	44,507.58
Health Care Deposit Fund	467,475.03
Unemployment Administration Fund	9,509.55
Unemployment Compensation Disability Fund	223.43
Unemployment Insurance Fund	63.00
Public Employees' Retirement Fund	30.00
Real Estate Fund	157.50
Water Resources Revolving Fund	1,673.87
Total	$2,400,742.93

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

In order to settle claims against the state and ending a hardship to claimants as quickly as possible, it is necessary for this act to take effect immediately.

CHAPTER 315

An act to amend Section 14998.5 of the Government Code, relating to the Motion Picture Development Council, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 11, 1977. Filed with Secretary of State July 11, 1977.]

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

SECTION 1. Section 14998.5 of the Government Code is amended to read:

14998.5. The council shall have the powers and authority necessary to carry out the duties imposed upon it by this chapter including, but not limited to, the following:

(a) To adopt such rules and regulations as it deems advisable with respect to the conduct of its own affairs.

(b) To hold hearings, and to do or perform any acts which may be necessary, desirable or proper to carry out the purpose of this chapter.

(c) To request and obtain from any department, division, board, bureau, commission, or other agency of the state or of any city or county within the state such assistance and data as will enable it properly to carry out its powers and duties hereunder.

(d) To accept any federal funds granted, by act of Congress or by executive order, for all or any of the purposes of this chapter.

(e) To accept any gifts, donations, bequests, or grants of funds from private and public agencies for all or any of the purposes of this chapter.

(f) To coordinate the activities of similar councils or boards appointed by any city or county within the state for all or any of the purposes of this chapter.

(g) To employ, pursuant to laws and regulations governing state civil service, such staff as may be necessary to carry out its duties imposed upon it by this chapter.

SEC. 2. The sum of forty-four thousand six hundred forty dollars ($44,640) is hereby appropriated from the General Fund to the Motion Picture Development Council for expenditure by the council in performing its functions, powers, and duties.

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

In order to expressly authorize the Motion Picture Development Council to employ staff necessary to carry out its functions and duties, it is necessary that this bill take effect immediately.

CHAPTER 316

An act to amend Section 1672 of the Military and Veterans Code, to amend Sections 37, 128, 209, 219, 1018, 1050, 1103, 1105, 4500, and 12310 of, to repeal Sections 190, 190.1, 190.2, and 190.3 of, and to add Sections 190, 190.1, 190.2, 190.3, 190.4, 190.5, and 190.6 to, the Penal Code, relating to punishment for crimes, and declaring the urgency thereof, to take effect immediately.

[Passed over Governor's veto August 11, 1977. Filed with Secretary of State August 11, 1977.]

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

SECTION 1. Section 1672 of the Military and Veterans Code is amended to read:

1672. Any person who is guilty of violating Section 1670 or 1671 is punishable as follows:

(a) If his act or failure to act causes the death of any person, he is punishable by death or imprisonment in the state prison for life without possibility of parole. The penalty shall be determined pursuant to the provisions of Sections 190.3 and 190.4 of the Penal Code. If the act or failure to act causes great bodily injury to any person, a person violating this section is punishable by life imprisonment without possibility of parole.

(b) If his act or failure to act does not cause the death of, or great bodily injury to, any person, he is punishable by imprisonment in the state prison for not more than 20 years, or a fine of not more than ten thousand dollars ($10,000), or both. However, if such person so acts or so fails to act with the intent to hinder, delay, or interfere with the preparation of the United States or of any state for defense or for war, or with the prosecution of war by the United States, or with the rendering of assistance by the United States to any other nation in connection with that nation's defense, the minimum punishment shall be imprisonment in the state prison for not less than one year, and the maximum punishment shall be imprisonment in the state prison for not more than 20 years, or by a fine of not more than ten thousand dollars ($10,000), or both.

SEC. 2. Section 37 of the Penal Code is amended to read:

37. Treason against this state consists only in levying war against it, adhering to its enemies, or giving them aid and comfort, and can be committed only by persons owing allegiance to the state. The punishment of treason shall be death or life imprisonment without possibility of parole. The penalty shall be determined pursuant to Sections 190.3 and 190.4.

SEC. 3. Section 128 of the Penal Code is amended to read:

128. Every person who, by willful perjury or subornation of perjury procures the conviction and execution of any innocent person, is punishable by death or life imprisonment without possibility of parole. The penalty shall be determined pursuant to Sections 190.3 and 190.4.

SEC. 4. Section 190 of the Penal Code is repealed.

SEC. 5. Section 190 is added to the Penal Code, to read:

190. Every person guilty of murder in the first degree shall suffer death, confinement in state prison for life without possibility of parole, or confinement in state prison for life. The penalty to be applied shall be determined as provided in Sections 190.1, 190.2, 190.3, 190.4, and 190.5. Every person guilty of murder in the second degree is punishable by imprisonment in the state prison for five, six,

or seven years.

SEC. 6. Section 190.1 of the Penal Code is repealed.

SEC. 7. Section 190.1 is added to the Penal Code, to read:

190.1. A case in which the death penalty may be imposed pursuant to this chapter shall be tried in separate phases as follows:

(a) The defendant's guilt shall first be determined. If the trier of fact finds the defendant guilty of first degree murder, it shall at the same time determine the truth of all special circumstances charged as enumerated in Section 190.2, except for a special circumstance charged pursuant to paragraph (5) of subdivision (c) of Section 190.2 where it is alleged that the defendant had been convicted in a prior proceeding of the offense of murder of the first or second degree.

(b) If the defendant is found guilty of first degree murder and one of the special circumstances is charged pursuant to paragraph (5) of subdivision (c) of Section 190.2 which charges that the defendant had been convicted in a prior proceeding of the offense of murder of the first or second degree, there shall thereupon be further proceedings on the question of the truth of such special circumstance.

(c) If the defendant is found guilty of first degree murder and one or more special circumstances as enumerated in Section 190.2 has been charged and found to be true, his sanity on any plea of not guilty by reason of insanity under Section 1026 shall be determined as provided in Section 190.4. If he is found to be sane, there shall thereupon be further proceedings on the question of the penalty to be imposed. Such proceedings shall be conducted in accordance with the provisions of Sections 190.3 and 190.4.

SEC. 8. Section 190.2 of the Penal Code is repealed.

SEC. 9. Section 190.2 is added to the Penal Code, to read:

190.2. The penalty for a defendant found guilty of murder in the first degree shall be death or confinement in the state prison for life without possibility of parole in any case in which one or more of the following special circumstances has been charged and specially found, in a proceeding under Section 190.4, to be true:

(a) The murder was intentional and was carried out pursuant to agreement by the person who committed the murder to accept a valuable consideration for the act of murder from any person other than the victim;

(b) The defendant, with the intent to cause death, physically aided or committed such act or acts causing death, and the murder was willful, deliberate, and premeditated, and was perpetrated by means of a destructive device or explosive;

(c) The defendant was personally present during the commission of the act or acts causing death, and with intent to cause death physically aided or committed such act or acts causing death and any of the following additional circumstances exists:

(1) The victim is a peace officer as defined in Section 830.1, subdivision (a) or (b) of Section 830.2, subdivision (a) or (b) of Section 830.3, or subdivision (b) of Section 830.5, who, while engaged in the performance of his duty was intentionally killed, and the

defendant knew or reasonably should have known that such victim was a peace officer engaged in the performance of his duties.

(2) The murder was willful, deliberate, and premeditated; the victim was a witness to a crime who was intentionally killed for the purpose of preventing his testimony in any criminal proceeding; and the killing was not committed during the commission or attempted commission of the crime to which he was a witness.

(3) The murder was willful, deliberate, and premeditated and was committed during the commission or attempted commission of any of the following crimes:

(i) Robbery in violation of Section 211;

(ii) Kidnapping in violation of Section 207 or 209. Brief movements of a victim which are merely incidental to the commission of another offense and which do not substantially increase the victim's risk of harm over that necessarily inherent in the other offense do not constitute a violation of Section 209 within the meaning of this paragraph.

(iii) Rape by force or violence in violation of subdivision (2) of Section 261; or by threat of great and immediate bodily harm in violation of subdivision (3) of Section 261;

(iv) The performance of a lewd or lascivious act upon the person of a child under the age of 14 years in violation of Section 288;

(v) Burglary in violation of subdivision (1) of Section 460 of an inhabited dwelling house with an intent to commit grand or petit larceny or rape.

(4) The murder was willful, deliberate, and premeditated, and involved the infliction of torture. For purposes of this section, torture requires proof of an intent to inflict extreme and prolonged pain.

(5) The defendant has in this proceeding been convicted of more than one offense of murder of the first or second degree, or has been convicted in a prior proceeding of the offense of murder of the first or second degree. For the purpose of this paragraph an offense committed in another jurisdiction which if committed in California would be punishable as first or second degree murder shall be deemed to be murder in the first or second degree.

(d) For the purposes of subdivision (c), the defendant shall be deemed to have physically aided in the act or acts causing death only if it is proved beyond a reasonable doubt that his conduct constitutes an assault or a battery upon the victim or if by word or conduct he orders, initiates, or coerces the actual killing of the victim.

SEC. 10. Section 190.3 of the Penal Code is repealed.

SEC. 11. Section 190.3 is added to the Penal Code, to read:

190.3. If the defendant has been found guilty of murder in the first degree, and a special circumstance has been charged and found to be true, or if the defendant may be subject to the death penalty after having been found guilty of violating subdivision (a) of Section 1672 of the Military and Veterans Code, or Section 37, 128, 219 or 4500 of this code, the trier of fact shall determine whether the penalty shall be death or life imprisonment without possibility of parole. In the

proceedings on the question of penalty, evidence may be presented by both the people and the defendant as to any matter relevant to aggravation, mitigation, and sentence, including, but not limited to, the nature and circumstances of the present offense, the presence or absence of other criminal activity by the defendant which involved the use or attempted use of force or violence or which involved the expressed or implied threat to use force or violence, and the defendant's character, background, history, mental condition and physical condition.

However, no evidence shall be admitted regarding other criminal activity by the defendant which did not involve the use or attempted use of force or violence or which did not involve the expressed or implied threat to use force or violence. As used in this section, criminal activity does not require a conviction.

However, in no event shall evidence of prior criminal activity be admitted for an offense for which the defendant was prosecuted and was acquitted. The restriction on the use of this evidence is intended to apply only to proceedings conducted pursuant to this section and is not intended to affect statutory or decisional law allowing such evidence to be used in other proceedings.

Except for evidence in proof of the offense or special circumstances which subject a defendant to the death penalty, no evidence may be presented by the prosecution in aggravation unless notice of the evidence to be introduced has been given to the defendant within a reasonable period of time, as determined by the court, prior to the trial. Evidence may be introduced without such notice in rebuttal to evidence introduced by the defendant in mitigation.

In determining the penalty the trier of fact shall take into account any of the following factors if relevant:

(a) The circumstances of the crime of which the defendant was convicted in the present proceeding and the existence of any special circumstances found to be true pursuant to Section 190.1.

(b) The presence or absence of criminal activity by the defendant which involved the use or attempted use of force or violence or the expressed or implied threat to use force or violence.

(c) Whether or not the offense was committed while the defendant was under the influence of extreme mental or emotional disturbance.

(d) Whether or not the victim was a participant in the defendant's homicidal conduct or consented to the homicidal act.

(e) Whether or not the offense was committed under circumstances which the defendant reasonably believed to be a moral justification or extenuation for his conduct.

(f) Whether or not the defendant acted under extreme duress or under the substantial domination of another person.

(g) Whether or not at the time of the offense the capacity of the defendant to appreciate the criminality of his conduct or to conform his conduct to the requirements of law was impaired as a result of

mental disease or the affects of intoxication.

(h) The age of the defendant at the time of the crime.

(i) Whether or not the defendant was an accomplice to the offense and his participation in the commission of the offense was relatively minor.

(j) Any other circumstance which extenuates the gravity of the crime even though it is not a legal excuse for the crime.

After having heard and received all of the evidence, the trier of fact shall consider, take into account and be guided by the aggravating and mitigating circumstances referred to in this section, and shall determine whether the penalty shall be death or life imprisonment without the possibility of parole.

SEC. 12. Section 190.4 is added to the Penal Code, to read:

190.4. (a) Whenever special circumstances as enumerated in Section 190.2 are alleged and the trier of fact finds the defendant guilty of first degree murder, the trier of fact shall also make a special finding on the truth of each alleged special circumstance. The determination of the truth of any or all of the special circumstances shall be made by the trier of fact on the evidence presented at the trial or at the hearing held pursuant to subdivision (b) of Section 190.1.

In case of a reasonable doubt as to whether a special circumstance is true, the defendant is entitled to a finding that it is not true. The trier of fact shall make a special finding that each special circumstance charged is either true or not true. Wherever a special circumstance requires proof of the commission or attempted commission of a crime, such crime shall be charged and proved pursuant to the general law applying to the trial and conviction of the crime.

If the defendant was convicted by the court sitting without a jury, the trier of fact shall be a jury unless a jury is waived by the defendant and by the people, in which case the trier of fact shall be the court. If the defendant was convicted by a plea of guilty the trier of fact shall be a jury unless a jury is waived by the defendant and by the people.

If the trier of fact finds that any one or more of the special circumstances enumerated in Section 190.2 as charged is true, there shall be a separate penalty hearing, and neither the finding that any of the remaining special circumstances charged is not true, nor if the trier of fact is a jury, the inability of the jury to agree on the issue of the truth or untruth of any of the remaining special circumstances charged, shall prevent the holding of the separate penalty hearing.

In any case in which the defendant has been found guilty by a jury, and the jury has been unable to reach a unanimous verdict that one or more of the special circumstances charged are true, and does not reach a unanimous verdict that all the special circumstances charged are not true, the court shall dismiss the jury and shall order a new jury impaneled to try the issues, but the issue of guilt shall not be tried by such jury, nor shall such jury retry the issue of the truth of

any of the special circumstances which were found by a unanimous verdict of the previous jury to be untrue. If such new jury is unable to reach the unanimous verdict that one or more of the special circumstances it is trying are true, the court shall dismiss the jury and impose a punishment of confinement in state prison for life.

(b) If defendant was convicted by the court sitting without a jury, the trier of fact at the penalty hearing shall be a jury unless a jury is waived by the defendant and the people, in which case the trier of fact shall be the court. If the defendant was convicted by a plea of guilty, the trier of fact shall be a jury unless a jury is waived by the defendant and the people.

If the trier of fact is a jury and has been unable to reach a unanimous verdict as to what the penalty shall be, the court shall dismiss the jury and impose a punishment of confinement in state prison for life without possibility of parole.

(c) If the trier of fact which convicted the defendant of a crime for which he may be subjected to the death penalty was a jury, the same jury shall consider any plea of not guilty by reason of insanity pursuant to Section 1026, the truth of any special circumstances which may be alleged, and the penalty to be applied, unless for good cause shown the court discharges that jury in which case a new jury shall be drawn. The court shall state facts in support of the finding of good cause upon the record and cause them to be entered into the minutes.

(d) In any case in which the defendant may be subjected to the death penalty, evidence presented at any prior phase of the trial, including any proceeding upon a plea of not guilty by reason of insanity pursuant to Section 1026, shall be considered at any subsequent phase of the trial, if the trier of fact of the prior phase is the same trier of fact at the subsequent phase.

(e) In every case in which the trier of fact has returned a verdict or finding imposing the death penalty, the defendant shall be deemed to have made an application for modification of such verdict or finding pursuant to subdivision (7) of Section 1181. In ruling on the application the judge shall review the evidence, consider, take into account, and be guided by the aggravating and mitigating circumstances referred to in Section 190.3, and shall make an independent determination as to whether the weight of the evidence supports the jury's findings and verdicts. He shall state on the record the reason for his findings.

The judge shall set forth the reasons for his ruling on the application and direct that they be entered on the Clerk's minutes.

The denial of the modification of a death penalty verdict pursuant to subdivision (7) of Section 1181 shall be reviewed on the defendant's automatic appeal pursuant to subdivision (b) of Section 1239. The granting of the application shall be reviewed on the peoples appeal pursuant to paragraph (6) of subdivision (a) of Section 1238.

The proceedings provided for in this subdivision are in addition to

any other proceedings on a defendant's application for a new trial.

SEC. 13. Section 190.5 is added to the Penal Code, to read:

190.5. (a) Notwithstanding any other provision of law, the death penalty shall not be imposed upon any person who is under the age of 18 years at the time of commission of the crime. The burden of proof as to the age of such person shall be upon the defendant.

(b) Except when the trier of fact finds that a murder was committed pursuant to an agreement as defined in subdivision (a) of Section 190.2, or when a person is convicted of a violation of subdivision (a) of Section 1672 of the Military and Veterans Code, or Section 37, 128, 4500, or subdivision (b) of Section 190.2 of this code, the death penalty shall not be imposed upon any person who was a principal in the commission of a capital offense unless he was personally present during the commission of the act or acts causing death, and intentionally physically aided or committed such act or acts causing death.

(c) For the purposes of subdivision (b), the defendant shall be deemed to have physically aided in the act or acts causing death only if it is proved beyond a reasonable doubt that his conduct constitutes an assault or a battery upon the victim or if by word or conduct he orders, initiates, or coerces the actual killing of the victim.

SEC. 14. Section 190.6 is added to the Penal Code, to read:

190.6. The Legislature finds that the imposition of sentence in all capital cases should be expeditiously carried out.

Therefore, in all cases in which a sentence of death has been imposed, the appeal to the State Supreme Court must be decided and an opinion reaching the merits must be filed within 150 days of certification of the entire record by the sentencing court. In any case in which this time requirement is not met, the Chief Justice of the Supreme Court shall state on the record the extraordinary and compelling circumstances causing the delay and the facts supporting these circumstances. A failure to comply with the time requirements of this section shall not be grounds for precluding the ultimate imposition of the death penalty.

SEC. 15. Section 209 of the Penal Code is amended to read:

209. (a) Any person who seizes, confines, inveigles, entices, decoys, abducts, conceals, kidnaps or carries away any individual by any means whatsoever with intent to hold or detain, or who holds or detains, such individual for ransom, reward or to commit extortion or to exact from relatives or friends of such person any money or valuable thing, or any person who aids or abets any such act, is guilty of a felony and upon conviction thereof shall be punished by imprisonment in the state prison for life without possibility of parole in cases in which any person subjected to any such act suffers death or bodily harm, or shall be punished by imprisonment in the state prison for life with the possibility of parole in cases where no such person suffers death or bodily harm.

(b) Any person who kidnaps or carries away any individual to commit robbery shall be punished by imprisonment in the state

prison for life with possibility of parole.

SEC. 16. Section 219 of the Penal Code is amended to read:

219. Every person who unlawfully throws out a switch, removes a rail, or places any obstruction on any railroad with the intention of derailing any passenger, freight or other train, car or engine and thus derails the same, or who unlawfully places any dynamite or other explosive material or any other obstruction upon or near the track of any railroad with the intention of blowing up or derailing any such train, car or engine and thus blows up or derails the same, or who unlawfully sets fire to any railroad bridge or trestle over which any such train, car or engine must pass with the intention of wrecking such train, car or engine, and thus wrecks the same, is guilty of a felony and punishable with death or imprisonment in the state prison for life without possibility of parole in cases where any person suffers death as a proximate result thereof, or imprisonment in the state prison for life with the possibility of parole, in cases where no person suffers death as a proximate result thereof. The penalty shall be determined pursuant to Sections 190.3 and 190.4.

SEC. 17. Section 1018 of the Penal Code is amended to read:

1018. Unless otherwise provided by law every plea must be entered or withdrawn by the defendant himself in open court. No plea of guilty of a felony for which the maximum punishment is death, or life imprisonment without the possibility of parole, shall be received from a defendant who does not appear with counsel, nor shall any such plea be received without the consent of the defendant's counsel. No plea of guilty of a felony for which the maximum punishment is not death or life imprisonment without the possibility of parole shall be accepted from any defendant who does not appear with counsel unless the court shall first fully inform him of his right to counsel and unless the court shall find that the defendant understands his right to counsel and freely waives it and then, only if the defendant has expressly stated in open court, to the court, that he does not wish to be represented by counsel. On application of the defendant at any time before judgment the court may, and in case of a defendant who appeared without counsel at the time of the plea the court must, for a good cause shown, permit the plea of guilty to be withdrawn and a plea of not guilty substituted. Upon indictment or information against a corporation a plea of guilty may be put in by counsel. This section shall be liberally construed to effect these objects and to promote justice.

SEC. 18. Section 1050 of the Penal Code is amended to read:

1050. The welfare of the people of the State of California requires that all proceedings in criminal cases shall be set for trial and heard and determined at the earliest possible time. To this end the Legislature finds that the criminal courts are becoming increasingly congested with resulting adverse consequences to the welfare of the people and the defendant. It is therefore recognized that the people and the defendant have reciprocal rights and interests in a speedy trial or other disposition, and to that end shall be the duty of all courts

and judicial officers and of all counsel, both the prosecution and the defense, to expedite such proceedings to the greatest degree that is consistent with the ends of justice. In accordance with this policy, criminal cases shall be given precedence over, and set for trial and heard without regard to the pendency of, any civil matters or proceedings.

To continue any hearing in a criminal proceeding, including the trial, a written notice must be filed within two court days of the hearing sought to be continued, together with affidavits or declarations detailing specific facts showing that a continuance is necessary, unless the court for good cause entertains an oral motion for continuance. Continuances shall be granted only upon a showing of good cause. Neither a stipulation between counsel nor the convenience of the parties is in and of itself a good cause. Provided, that upon a showing that the attorney of record at the time of the defendant's first appearance in the superior court is a Member of the Legislature of this State and that the Legislature is in session or that a legislative interim committee of which the attorney is a duly appointed member is meeting or is to meet within the next seven days, the defendant shall be entitled to a reasonable continuance not to exceed 30 days. A continuance shall be granted only for that period of time shown to be necessary by the evidence considered at the hearing on the motion. Whenever any continuance is granted, the facts proved which require the continuance shall be entered upon the minutes of the court or, in a justice court, upon the docket. Whenever it shall appear that any court may be required, because of the condition of its calendar, to dismiss an action pursuant to Section 1382 of this code, the court must immediately notify the chairman of the Judicial Council.

SEC. 19. Section 1103 of the Penal Code is amended to read:

1103. Upon a trial for treason, the defendant cannot be convicted unless upon the testimony of two witnesses to the same overt act, or upon confession in open court; nor, except as provided in Sections 190.3 and 190.4, can evidence be admitted of an overt act not expressly charged in the indictment or information; nor can the defendant be convicted unless one or more overt acts be expressly alleged therein.

SEC. 20. Section 1105 of the Penal Code is amended to read:

1105. (a) Upon a trial for murder, the commission of the homicide by the defendant being proved, the burden of proving circumstances of mitigation, or that justify or excuse it, devolves upon him, unless the proof on the part of the prosecution tends to show that the crime committed only amounts to manslaughter, or that the defendant was justifiable or excusable.

(b) Nothing in this section shall apply to or affect any proceeding under Section 190.3 or 190.4.

SEC. 21. Section 4500 of the Penal Code is amended to read:

4500. Every person undergoing a life sentence in a state prison of this state, who, with malice aforethought, commits an assault upon

the person of another with a deadly weapon or instrument, or by any means of force likely to produce great bodily injury is punishable with death or life imprisonment without possibility of parole. The penalty shall be determined pursuant to the provisions of Sections 190.3 and 190.4; however, in cases in which the person subjected to such assault does not die within a year and a day after such assault as a proximate result thereof, the punishment shall be imprisonment in the state prison for life without the possibility of parole for nine years.

For the purpose of computing the days elapsed between the commission of the assault and the death of the person assaulted, the whole of the day on which the assault was committed shall be counted as the first day.

Nothing in this section shall be construed to prohibit the application of this section when the assault was committed outside the walls of any prison if the person committing the assault was undergoing a life sentence in a state prison at the time of the commission of the assault and was not on parole.

SEC. 22. Section 12310 of the Penal Code is amended to read:

12310. (a) Every person who willfully and maliciously explodes or ignites any destructive device or any explosive which causes the death of any person is guilty of a felony, and shall be punished by imprisonment in the state prison for life without the possibility of parole.

(b) Every person who willfully and maliciously explodes or ignites any destructive device or any explosive which causes mayhem or great bodily injury to any person is guilty of a felony, and shall be punished by imprisonment in the state prison for life.

SEC. 23. If any word, phrase, clause, or sentence in any section amended or added by this act, or any section or provision of this act, or application thereof to any person or circumstance, is held invalid, such invalidity shall not affect any other word, phrase, clause, or sentence in any section amended or added by this act, or any other section, provisions or application of this act, which can be given effect without the invalid word, phrase, clause, sentence, section, provision or application and to this end the provisions of this act are declared to be severable.

SEC. 24. If any word, phrase, clause, or sentence in any section amended or added by this act, or any section or provision of this act, or application thereof to any person or circumstance, is held invalid, and as a result thereof, a defendant who has been sentenced to death under the provisions of this act will instead be sentenced to life imprisonment, such life imprisonment shall be without possibility of parole. The Legislature finds and declares that those persons convicted of first degree murder and sentenced to death are deserving and subject to society's ultimate condemnation and should, therefore, not be eligible for parole which is reserved for crimes of lesser magnitude.

If any word, phrase, clause, or sentence in any section amended or

added by this act, or any section or provision of this act, or application thereof to any person or circumstance is held invalid, and as a result thereof, a defendant who has been sentenced to life imprisonment without the possibility of parole under the provisions of this act will instead be sentenced to life imprisonment with the possibility of parole.

SEC. 25. If this bill and Assembly Bill 513 are both chaptered, and both amend Section 1050 of the Penal Code, Section 18 of this act shall become operative only if this bill is chaptered and becomes operative before Assembly Bill 513, and in such event Section 18 of this act shall remain operative only until the operative date of Assembly Bill 513.

SEC. 26. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

The California Supreme Court has declared the existing death penalty law unconstitutional. This act remedies the constitutional infirmities found to be in existing law, and must take effect immediately in order to guarantee the public the protection inherent in an operative death penalty law.

CHAPTER 317

An act relating to school district taxes, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 15, 1977. Filed with Secretary of State August 15, 1977.]

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

SECTION 1. The second paragraph of Section 42245 of the Education Code shall not apply to a school district located in a county which uses the alternative method of distributing tax levies and collections and tax sale proceeds specified by Chapter 3 (commencing with Section 4701) of Part 8 of Division 1 of the Revenue and Taxation Code.

SEC. 2. It is the intent of the Legislature that this act should not be construed to permit any school district to receive revenues greater than it would have received if Chapter 125 of the Statutes of 1975 had not been enacted.

SEC. 3. This act shall remain operative until either A.B. 65, S.B. 525, or S.B. 809 is enacted and, upon the effective date of the first of such bills to be enacted, this act is repealed.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into

immediate effect. The facts constituting such necessity are:

The enactment of Chapter 125 of the Statutes of 1975 inadvertently decreased the revenues of school districts located in counties which utilize a certain alternative method of distributing tax levies and collections and tax sale proceeds. In order to remedy this unfortunate circumstance at the earliest possible time, and to permit this act to be operative during the 1976–77 fiscal year, and so to facilitate its orderly administration, it is necessary that this act take effect immediately.

CHAPTER 318

An act to defer the obligation to pay funds owed to the State of California, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 17, 1977. Filed with Secretary of State August 18, 1977.]

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

SECTION 1. Notwithstanding any other provision of the law, whenever a person has purchased a money order issued by Universal Money Order Company of Los Angeles with the intent of paying an obligation owed to the state with such money order, the obligation shall not become due and owing until September 30, 1977.

No penalty or interest shall be charged on an obligation to pay money to the state which is deferred pursuant to this section until such money becomes due and owing after the period of deferment. At such time, the normal provisions of the law relating to penalties and interest shall apply and penalties and assessments may be charged commencing with that date.

Any penalty and interest that has been paid on an obligation owed to the state after the purchase, with the intent to pay such obligation, of a money order issued by Universal Money Order Company of Los Angeles and prior to the operative date of this act shall be refunded to the purchaser of the money order.

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

The failure to defer amounts due and owing to the State of California, and to waive penalties and interest thereon, which have been tendered to the state in the form of money orders issued by Universal Money Order Company of Los Angeles, and returned unpaid as the result of the insolvency of such company, would produce great hardship on many of California's populace.

CHAPTER 319

An act to amend Section 44212 of the Education Code, relating to teacher licensing.

[Approved by Governor August 17, 1977. Filed with Secretary of State August 18, 1977.]

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

SECTION 1. Section 44212 of the Education Code is amended to read:

44212. The Superintendent of Public Instruction, the Regents of the University of California, the Trustees of the California State University and Colleges, the Board of Governors of the California Community Colleges, the California Postsecondary Education Commission, and the Association of Independent California Colleges and Universities shall each appoint a representative to serve as member ex officio without vote.

CHAPTER 320

An act to amend Section 44240 of the Education Code, relating to the Commission for Teacher Preparation and Licensing.

[Approved by Governor August 17, 1977. Filed with Secretary of State August 18, 1977.]

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

SECTION 1. Section 44240 of the Education Code is amended to read:

44240. The commission shall appoint a Committee of Credentials, consisting of seven persons for terms fixed by the commission but not to exceed two years. The committee shall include:

(a) Two members who shall be full-time certified classroom teachers in the public elementary schools, one with not less than five years' classroom experience, and one with not less than 10 years' classroom experience.

(b) Two members who shall be full-time certified classroom teachers in the public secondary schools, one with not less than five years' classroom experience, and one with not less than 10 years' classroom experience.

(c) One member who shall be a certified administrative employee in the public schools.

(d) One member who shall be a past or present member of the governing board of any school district.

(e) One member who shall be a representative of the public, to be a person with no previous experience as a certified employee in the

public schools or as a member of any governing board of a school district or county board of education.

CHAPTER 321

An act to amend Section 24413 of the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 17, 1977. Filed with Secretary of State August 18, 1977.]

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

SECTION 1. Section 24413 of the Revenue and Taxation Code is amended to read:

24413. (a) Corporations, trusts and associations which are subject to the provisions of this part for the income year, and which qualify for such income year for federal tax purposes as "real estate investment trusts" under Part II (commencing with Section 856) of Subchapter M of Chapter 1 of Subtitle A of the Internal Revenue Code of 1954 (as amended by Public Law 93-625 and Public Law 94-455), shall be entitled to (1) a deduction for income distributed during the income year, and (2) a deduction for deficiency dividends, as defined in Section 859 of the Internal Revenue Code of 1954, as amended by Public Law 94-455, for the income year in which the deficiency occurred.

(b) For the purposes of this section, if a real estate investment trust:

(1) Declares a dividend before the time prescribed by law for the filing of its return for an income year (including the period of any extension of time granted for filing such return); and

(2) Distributes the amount of such dividend to shareholders or holders of beneficial interests in the 12-month period following the close of such income year and not later than the date of the first regular dividend payment made after such declaration, the amount so declared and distributed shall, to the extent the trust elects in its return filed with the Internal Revenue Service pursuant to Section 858 of the Internal Revenue Code of 1954, be considered as having been paid during such income year, except as provided in subdivision (c).

(c) Amounts to which subdivision (b) applies shall be treated as received by the shareholder or holder of a beneficial interest in the income year in which the distribution is made.

SEC. 2. This act shall be applied in the computation of taxes with respect to tax returns due (without regard to any extension of time for filing) on or after the effective date of this act.

SEC. 3. This act is an urgency statute necessary for the

immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are as follows:

The action of the United States Congress in enacting Sections 856, 857 and 858 of the Internal Revenue Code of 1954 extended to real estate investment trusts (REITs) substantially the same conduit tax treatment (i.e., REIT net income distributed to its investors is taxed to them without being taxed at the REIT level) as is provided for mutual funds. The California Legislature concurred in this action by enacting Section 24413 of the Revenue and Taxation Code. The purpose of this legislation was to afford an opportunity for the small investor to participate in large real estate investments with expert management on a scale previously available only to a few wealthy individuals; to encourage the growth of such investment trusts to increase the funds available for equity financing of the large real estate developments and redevelopments needed in metropolitan area; and to avoid the inherent inequity of double taxation, particularly for small investors.

By reason of the relatively recent recession and unanticipated negative developments in the economy's real estate sector, these expressed legislative purposes were largely thwarted. As a result, the United States Congress adopted in 1975 (which action the California Legislature concurred in by the enactment in 1976 of Chapter 650, Statutes of 1976) remedial legislation to deal with foreclosure property, one of the principal emergency problems confronting REITs, on the basis that immediate action was needed. For the same reasons, Congress adopted at its next session further remedial legislation (as part of the Tax Reform Act of 1976) which made a number of substantial changes in the REIT provisions including liberalized rules relating to the continued qualification of REITs.

Since reliance by REITs on the new federal provisions will result in their disqualification in this state under existing law (and loss of their special tax treatment), immediate action is likewise again needed to conform Section 24413 of the Revenue and Taxation Code to the new federal provisions. This act will provide such conformity, prevent the flow of existing capital out of, and stimulate the flow of badly needed capital into, the depressed real estate market in this state.

CHAPTER 322

An act to amend Section 72760 of the Water Code, relating to the Marin Municipal Water District.

[Approved by Governor August 17, 1977. Filed with Secretary of State August 18, 1977.]

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

SECTION 1. Section 72760 of the Water Code is amended to read:

72760. The Marin Municipal Water District in Marin County shall not exercise any powers under this part by which the district incurs an indebtedness or liability exceeding in any year the income or revenue for such year, without the approval of a majority of the voters of the district voting at an election held within the district for that purpose. Such election may be combined with any other election held within the district. If a majority of the votes cast at the election is in favor of the proposition, the county clerk shall immediately cause to be filed with the Secretary of State a certificate reciting such fact. Notwithstanding any provision of law to the contrary, the provisions of Article 3 (commencing with Section 3780) of Chapter 2 of Division 4 of the Elections Code shall apply to such election.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because this act is in accordance with the request of a local government entity which desired legislative authority to act to carry out the program specified in this act.

CHAPTER 323

An act to add Section 6501 to the Health and Safety Code, relating to sanitary districts.

[Approved by Governor August 17, 1977. Filed with Secretary of State August 18, 1977.]

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

SECTION 1. Section 6501 is added to the Health and Safety Code, to read:

6501. By resolution, the board may change the name of the district. Any name resulting from a change must include the words "Sanitary District". Such change of name shall be effective upon the filing of a certified copy of such resolution with the Secretary of State and recording a certified copy in the office of the county recorder of the county or counties in which such district is situated.

CHAPTER 324

An act to add Section 12808.5 to the Public Utilities Code, relating to public utilities.

[Approved by Governor August 17, 1977. Filed with Secretary of State August 18, 1977.]

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

SECTION 1. Section 12808.5 is added to the Public Utilities Code, to read:

12808.5. (a) Notwithstanding Sections 53091 and 65402 of the Government Code, Section 12808 of the Public Utilities Code and Section 1469 of the Streets and Highways Code or any other provision of law, no district may locate or construct, any lines, for the transmission or distribution of electrical energy, including poles and other accessory structures, unless such facilities are approved pursuant to this section.

(b) The district shall hold a public hearing on proposed facilities which are subject to this section.

(1) Mailed notice of the public hearing shall be provided at least 10 days prior to the hearing, to the owners of all property within 300 feet of the route along which such facilities are proposed to be located.

(2) If mailed notice as required in paragraph (1) above would result in notice to more than 250 persons, as an alternative to such mailed notice, notice may be given by placing a display advertisement of at least one-fourth page in a newspaper of general circulation within the area affected by the proposed facility.

(c) After holding a hearing as provided in subdivision (b), the district shall submit any proposed facilities to the legislative body of each local agency in which such facilities are to be located. The legislative bodies shall conduct a public hearing, receive evidence, and, within 60 days, adopt a resolution approving, approving an alternative, or disapproving, the proposed facilities.

Any resolution adopted pursuant to this subdivision shall contain findings concerning:

(1) The consistency of the proposed facilities with the local agency's general plan and applicable redevelopment and specific plans.

(2) Whether there are feasible alternatives to the proposal.

(3) Such other factors related to the public health, safety and welfare as are included within the ordinance adopted by the local agency pursuant to subdivision (e) of this section.

Failure of a legislative body to render a decision within 60 days shall be deemed to constitute an approval of the proposed facilities.

(d) Notwithstanding the provisions of subdivision (c), the governing board of the district by vote of four-fifths of its members may render a local agency's decision inapplicable to proposed facilities if the district, at a publicly noticed hearing, determines by resolution that there is no feasible alternative to the district's proposal. Prior to adopting the resolution, the district shall read into the record the local agency's resolution. The board shall, within 10 days, notify the city or county concerned of such action. If the governing board has taken such action the local agency may commence an action in the superior court of the county whose action

is involved or in which is situated the city whose action is involved, seeking a review of such action of the governing board of the district to determine whether it was supported by substantial evidence. The evidence before the court shall include, but not be limited to, the record of the proceedings before the city, county, and local agency. The city or county shall cause a copy of the complaint to be served on the board. If the court determines that such action was not supported by substantial evidence, it shall declare it to be of no force and effect, and the local agency's decision shall be applicable to the proposed facilities.

(e) This section shall not apply to:

(1) Any facilities proposed to be located within any local agency which has not adopted an ordinance setting forth criteria to govern its decision pursuant to subdivision (c) of this section.

(2) Any electrical distribution lines of less than 100,000 volts.

(f) As used in this section, the term "feasible" means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors.

(g) As used in this section, "local agency" means a city, a city and county, or a county. Within cities this section shall not apply to counties.

SEC. 2. The increasing development of facilities for transmission of electrical energy alter and in some cases deface the geographical landscape, cutting across city and county lines. The Legislature declares that it is in the public interest and a matter of statewide concern that local agencies be given greater control over such activities and thus the provisions of this act are applicable to both general law and charter cities and counties.

SEC. 3. The provisions of this act shall not apply to any facilities for which onsite construction has begun at the time this act becomes effective.

SEC. 4. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because the duties, obligations or responsibilities imposed on local government by this act are minor in nature and will not place any financial burden on local government.

CHAPTER 325

An act to amend Section 2805 of the Vehicle Code, relating to vehicles.

[Approved by Governor August 17, 1977. Filed with Secretary of State August 18, 1977.]

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

SECTION 1. Section 2805 of the Vehicle Code is amended to read:

2805. (a) For the purpose of locating stolen vehicles, a member of the California Highway Patrol may inspect any vehicle of a type required to be registered under this code on a highway or in any public garage, repair shop, parking lot, new or used car lot, automobile dismantler's lot, vehicle shredding facility, vehicle leasing or rental lot, vehicle equipment rental yard, vehicle salvage pool, or other similar establishment, and may inspect the title or registration of vehicles, in order to establish the rightful ownership or possession of the vehicle.

(b) A member of the California Highway Patrol may also inspect, for the purposes specified in subdivision (a), implements of husbandry, special construction equipment, and special mobile equipment in the places described in subdivision (a) or when such a vehicle is incidentally operated or transported upon a highway.

(c) Whenever possible, inspections conducted pursuant to subdivision (a) or (b) shall be conducted at a time and in a manner so as to minimize any interference with, or delay of, business operations.

CHAPTER 326

An act to amend Sections 4002, 4003, 4004, and 8160 of the Vehicle Code, relating to vehicles.

[Approved by Governor August 17, 1977. Filed with Secretary of State August 18, 1977.]

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

SECTION 1. Section 4002 of the Vehicle Code is amended to read:

4002. When moved or operated under a permit issued by the department, registration is not required of:

(a) A vehicle not previously registered while being moved or operated from a dealer's, distributor's, or manufacturer's place of business to a place where essential parts of the vehicle are to be altered or supplied.

(b) A vehicle while being moved from a place of storage to another place of storage.

(c) A vehicle while being moved to or from a garage or repair shop for the purpose of repairs or alteration.

(d) A vehicle while being moved or operated for the purpose of dismantling or wrecking the same and permanently removing it from the highways.

(e) A vehicle, while being moved from one place to another for the purpose of inspection by the department, assignment of a vehicle identification number, inspection of pollution control devices, or weighing the vehicle.

(f) A vehicle, the construction of which has not been completed, until such time as the construction thereof is completed and final weights and costs can be determined for registration purposes.

SEC. 2. Section 4003 of the Vehicle Code is amended to read:

4003. A permit, as described in Section 9258, may be issued by the department for operating any of the following vehicles, except a crane:

(a) A vehicle while being moved or operated unladen for one continuous trip from a place within this state to another place either within or without this state or from a place without this state to a place within this state.

(b) A vehicle while being moved or operated for one round trip to be completed within 60 days from one place to another for the purpose of participating as a vehicular float or display in a lawful parade or exhibition, provided that the total round trip does not exceed 100 miles.

The department may issue a quantity of permits under this subsection in booklet form upon payment of the proper fee for each permit contained in such booklet. Each permit shall be valid for only one vehicle and for only one continuous trip. Such permit shall be posted upon the windshield or other prominent place upon a vehicle and shall identify the vehicle to which it is affixed. When so affixed, such permit shall serve in lieu of California registration.

SEC. 3. Section 4004 of the Vehicle Code is amended to read:

4004. Commercial vehicles meeting the registration requirements of a foreign jurisdiction, and subject to registration but not entitled to exemption from registration or licensing under any of the provisions of this code or any agreements, arrangements, or declarations made under Article 3 (commencing with Section 8000) of Chapter 4, may, as an alternate to such registration, secure a temporary registration to operate in this state for a period of not to exceed 90 days, or a trip permit to operate in this state for a period of five (5) consecutive days. The privilege of securing a trip permit shall not extend to vehicles registered in any jurisdiction with which the State of California does not have vehicle licensing reciprocity, unless the Reciprocity Commission extends such privilege, by rule, after hearing.

Each trip permit shall authorize the operation of a single vehicle for a period of not more than five (5) consecutive days, commencing with the day of first use and four (4) consecutive days thereafter. Every permit shall identify, as the department may require, the vehicle for which it is issued. Each trip permit shall be signed and dated on the day the trip commences and shall, with respect to a vehicle not having a windshield, be carried on the vehicle to which it applies and be readily available for inspection by a peace officer, and, shall, with respect to a vehicle having a windshield, including a vehicle supplying the motive power for another vehicle, be displayed on the lower right corner of the windshield in accordance with the provisions of paragraph (3) of subdivision (b) of Section

26708. It is unlawful for any person to fail to comply with the provisions of this section.

SEC. 4. Section 8160 of the Vehicle Code is amended to read:

8160. Any person complying with the provisions of this article shall preserve the records on which the application is based for a period of four full years following the year upon which the application is based, and do the following:

(a) Retain a copy of all permits used pursuant to Sections 4003 and 4004 for a period of four full years.

(b) Agree to make the records available to the department at its request and at its designated office for audit as to accuracy of computation and payments, or to pay the costs of an audit by the department or its duly appointed representative at the applicant's home office.

SEC. 5. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local government entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 327

An act to amend Section 4006 of the Welfare and Institutions Code, relating to the acceptance of grants and gifts.

[Approved by Governor August 17, 1977. Filed with Secretary of State August 18, 1977.]

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

SECTION 1. Section 4006 of the Welfare and Institutions Code is amended to read:

4006. With the approval of the Department of Finance and for use in the furtherance of the work of the State Department of Health, the director may accept any or all of the following:

(a) Grants of interest in real property.

(b) Grants of money received by this state from the United States, the expenditure of which is administered through or under the direction of any department of this state.

(c) Gifts of money from public agencies or from persons, organizations, or associations interested in scientific, educational, charitable, or mental hygiene fields.

CHAPTER 328

An act to amend Sections 5004, 6341, 52256, 52257, 52258, 52287, 52332, 52452, and 52482 of the Food and Agricultural Code, relating to weeds.

[Approved by Governor August 17, 1977. Filed with Secretary of State August 18, 1977.]

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

SECTION 1. Section 5004 of the Food and Agricultural Code is amended to read:

5004. "Noxious weed" means any species of plant which is, or is liable to be, detrimental or destructive and difficult to control or eradicate, which the director, by regulation, designates to be a noxious weed.

SEC. 2. Section 6341 of the Food and Agricultural Code is amended to read:

6341. If anything brought into any county or locality of the state from another county or locality within the state, or from any other state or foreign country, is found to be infested with the seed or propagule of any pest that is not of common occurrence in the county or locality into which the shipment is brought, the director or the commissioner shall notify the owner or bailee of such shipment to return it to the point from which the shipment was made.

SEC. 3. Section 52256 of the Food and Agricultural Code is amended to read:

52256. "Noxious weed seed" means the seed or propagule of any species of noxious weed, as defined in Section 5004. As used in this chapter, noxious weed seed are of two classes, prohibited noxious weed seed and restricted noxious weed seed, which are defined in Sections 52257 and 52258, respectively.

SEC. 4. Section 52257 of the Food and Agricultural Code is amended to read:

52257. "Prohibited noxious weed seed" means the seed or propagule of any species of noxious weed which the director, as provided in Section 52332, finds and declares to be a prohibited noxious weed seed and which either: (1) is not known to occur, or is of limited distribution, in this state; (2) is not widely distributed throughout the state and which not only reproduce by seed, but also by underground roots or stems; or (3) is under eradication measures in this state.

SEC. 5. Section 52258 of the Food and Agricultural Code is amended to read:

52258. "Restricted noxious weed seed" means the seed or propagule of any species of noxious weed, the seed of which is not otherwise designated as prohibited noxious weed seed, and which the director, as provided in Section 52332, finds and declares to be

a restricted noxious weed seed.

SEC. 6. Section 52287 of the Food and Agricultural Code is amended to read:

52287. All prohibited and restricted noxious weed seed which are enumerated in this chapter or in any regulation which is adopted by the director pursuant to this chapter are hereby recognized as noxious within the meaning of the Federal Seed Act (7 U.S.C., Sec. 1551, et seq.).

SEC. 7. Section 52332 of the Food and Agricultural Code is amended to read:

52332. The director may, by regulation, adopt all of the following:

(a) A list of the plants and crops which he finds are or may be grown in this state from agricultural or vegetable seed.

(b) A list of the plants and crops which he finds are detrimental to agriculture if they occur incidentally in other crops, and which, therefore, are classed as weed seed except if sold alone or as a specific constituent of a definite seed mixture.

(c) A list of noxious weed seed which he finds are prohibited noxious weed seed, as defined in this chapter.

(d) A list of those noxious weed seed which are not classified as prohibited noxious weed seed, and which, therefore, are classed by this chapter as restricted noxious weed seed.

(e) A list of seed-certifying agencies which he finds qualified to certify as to the variety, purity, quality, or other matter of agricultural or vegetable seed. The director shall consult with the Director of the University of California Agricultural Experiment Station before approving the qualifications of any agency to certify as to variety, type, strain, or other genetic character of agricultural or vegetable seed.

(f) A list of substances, which are likely to be used for treating grain or other crop seed, that he finds and determines are toxic to human beings or animals if so used, together with an appropriate warning or caution statement for each such substance.

(g) Establish methods and procedures, upon the recommendation of the board, for the conciliation or mediation of dispute between a labeler and any person concerning the conformance with label statements as required by this chapter; provided, however, that such mediation or conciliation shall not affect any enforcement action by the director pursuant to this chapter.

(h) Establish additional labeling requirements for coated, pelleted, encapsulated, mat, tape, or any other germination medium or device used on agricultural or vegetable seed in order that the purchaser or consumer will be informed as to the actual amount of seed purchased.

SEC. 8. Section 52452 of the Food and Agricultural Code is amended to read:

52452. Except as otherwise provided in Section 52454, each container of agricultural seed which is for sale or sold within this state for sowing purposes, unless the sale is an occasional sale of seed grain

by the producer of the seed grain to his neighbor for use by the purchaser within the county of production, shall bear upon it or have attached to it in a conspicuous place a plainly written or printed label or tag in the English language, which gives all of the following information:

(a) Commonly accepted name of the kind, kind and variety, or kind and type of each agricultural seed component in excess of 5 percent of the whole, and the percentage by weight of each. If the aggregate of agricultural seed components, each present in an amount not exceeding 5 percent of the whole, exceeds 10 percent of the whole, each component in excess of 1 percent of the whole shall be named together with the percentage by weight of each. If more than one component is required to be named, the names of all components shall be shown in letters of the same type and size.

(b) Lot number or other lot identification.

(c) Percentage by weight of all weed seeds.

(d) The name and approximate number of each kind of restricted noxious weed seed per pound.

(e) Percentage by weight of any agricultural seed except that which is required to be named on the label.

(f) Percentage by weight of inert matter. If a percentage by weight is required to be shown by any provision of this section such percentage shall be exclusive of any substance which is added to the seed as a coating and shown on the label as such.

(g) For each agricultural seed, in excess of 5 percent of the whole, stated in accordance with subdivision (a) of this section, the percentage of germination, exclusive of hard seed; the percentage of hard seed, if present; and the calendar month and year the test was completed to determine such percentages. Following the statement of such percentages, the additional statement "total germination and hard seed" may be stated as such, if desired.

(h) Name and address of the person that labeled the seed, or of the person that sells the seed within this state.

All determinations of noxious weed seeds are subject to tolerances and methods of determination which are prescribed in the regulations which are adopted pursuant to this chapter.

SEC. 9. Section 52482 of the Food and Agricultural Code is amended to read:

52482. Except as otherwise provided in Section 52486, it is unlawful for any person to ship, deliver, transport, or sell any agricultural or vegetable seed within this state which is within any of the following classes:

(a) Is not labeled in accordance with the provisions of this chapter. This subdivision does not, however, apply to any seed which is described in Section 52451.

(b) Contains prohibited noxious weed seed, subject to tolerances and methods of determination prescribed in the regulations which are adopted pursuant to this chapter. This subdivision does not, however, apply to any of the seed which is described in subdivisions

(a) or (b) of Section 52451.

(c) Has a false or misleading labeling, or pertaining to which there has been a false or misleading advertisement.

(d) Is represented to be certified seed or registered seed, unless it has been produced and labeled in accordance with the procedures and in compliance with the rules and regulations of a seed-certifying agency which is officially recognized under the provisions of this chapter, if produced in this state, or under the provisions of the Federal Seed Act (7 U.S.C., Sec. 1551, et seq.) and rules and regulations which are adopted pursuant to such act, if produced outside of this state.

(e) Contains more than 1½ percent by weight of all weed seeds. This subdivision does not, however, apply to any seed which is described in subdivision (a), (b), or (c) of Section 52451.

(f) To sell, by variety name, seed not certified by an official seed certifying agency when it is a variety for which a certificate of plant variety protection under the United States Plant Variety Protection Act (84 Stats 1542; 7 U.S.C. Sec. 2321, et seq.) specifies sale only as a class of certified seed, except that seed from a certified lot may be labeled as to variety name when used in a mixture by, or with the written approval of the owner of the variety.

SEC. 10. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local governmental entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 329

An act to add Sections 6538.5, 7700.5, 8828.5, 30243.5, and 32313 to the Revenue and Taxation Code, relating to taxation.

[Approved by Governor August 17, 1977. Filed with Secretary of State August 18, 1977.]

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

SECTION 1. Section 6538.5 is added to the Revenue and Taxation Code, to read:

6538.5. In accordance with such rules and regulations as the board may prescribe, the person against whom a jeopardy determination is made may apply for an administrative hearing for one or more of the following purposes:

(a) To establish that the determination is excessive; or

(b) To establish that the sale of property that may be seized after

issuance of the jeopardy determination or any part thereof shall be delayed pending the administrative hearing because the sale would result in irreparable injury to the person; or

(c) To request the release of all or a part of the property to the person; or

(d) To request a stay of collection activities.

The application shall be filed within 30 days after service of the notice of jeopardy determination and shall be in writing and state the specific factual and legal grounds upon which it is founded. No security need be posted to file the application and to obtain this hearing. However, if the person does not deposit within the 10-day period prescribed in Section 6538, such security as the board may deem necessary to ensure compliance with this part, the filing of the application shall not operate as a stay of collection activities, except sale of property seized after issuance of the jeopardy determination. Upon a showing of good cause for failure to file a timely application for administrative hearing, the board may allow a filing of the application and grant the person an administrative hearing. The filing of an application pursuant to this section shall not affect provisions of Section 6537 relating to the finality date of the determination or to penalty or interest.

SEC. 2. Section 7700.5 is added to the Revenue and Taxation Code, to read:

7700.5 In accordance with such rules and regulations as the board may prescribe, the person against whom a jeopardy determination is made may apply for an administrative hearing for one or more of the following purposes:

(a) To establish that the determination is excessive; or

(b) To establish that the sale of property that may be seized after issuance of the jeopardy determination or any part thereof shall be delayed pending the administrative hearing because the sale would result in irreparable injury to the person; or

(c) To request the release of all or a part of the property to the person; or

(d) To request a stay of collection activities.

The application shall be filed within 30 days after service of the notice of jeopardy determination and shall be in writing and state the specific factual and legal grounds upon which it is founded. No security need be posted to file the application and to obtain this hearing. However, if the person does not deposit within the 10-day period prescribed in Section 7700, such security as the board may deem necessary to ensure compliance with this part, the filing of the application shall not operate as a stay of collection activities, except sale of property seized after issuance of the jeopardy determination. Upon a showing of good cause for failure to file a timely application for administrative hearing, the board may allow a filing of the application and grant the person an administrative hearing. The filing of an application pursuant to this section shall not affect provisions of Section 7699 relating to the finality date of the

determination or to penalty or interest.

SEC. 3. Section 8828.5 is added to the Revenue and Taxation Code, to read:

8828.5. In accordance with such rules and regulations as the board may prescribe, the person against whom a jeopardy determination is made may apply for an administrative hearing for one or more of the following purposes:

(a) To establish that the determination is excessive; or

(b) To establish that the sale of property that may be seized after issuance of the jeopardy determination or any part thereof shall be delayed pending the administrative hearing because the sale would result in irreparable injury to the person; or

(c) To request the release of all or a part of the property to the person; or

(d) To request a stay of collection activities.

The application shall be filed within 30 days after service of the notice of jeopardy determination and shall be in writing and state the specific factual and legal grounds upon which it is founded. No security need be posted to file the application and to obtain this hearing. However, if the person does not deposit within the 10-day period prescribed in Section 8828, such security as the board may deem necessary to ensure compliance with this part, the filing of the application shall not operate as a stay of collection activities, except sale of property seized after issuance of the jeopardy determination. Upon a showing of good cause for failure to file a timely application for administrative hearing, the board may allow a filing of the application and grant the person an administrative hearing. The filing of an application pursuant to this section shall not affect provisions of Section 8827 relating to the finality date of the determination or to penalty or interest.

SEC. 4. Section 30243.5 is added to the Revenue and Taxation Code, to read:

30243.5. In accordance with such rules and regulations as the board may prescribe, the person against whom a jeopardy determination is made may apply for an administrative hearing for one or more of the following purposes:

(a) To establish that the determination is excessive; or

(b) To establish that the sale of property that may be seized after issuance of the jeopardy determination or any part thereof shall be delayed pending the administrative hearing because the sale would result in irreparable injury to the person; or

(c) To request the release of all or a part of the property to the person; or

(d) To request a stay of collection activities.

The application shall be filed within 30 days after service of the notice of jeopardy determination and shall be in writing and state the specific factual and legal grounds upon which it is founded. No security need be posted to file the application and to obtain this hearing. However, if the person does not deposit within the 10-day

period prescribed in Section 30243, such security as the board may deem necessary to ensure compliance with this part, the filing of the application shall not operate as a stay of collection activities, except sale of property seized after issuance of the jeopardy determination. Upon a showing of good cause for failure to file a timely application for administrative hearing, the board may allow a filing of the application and grant the person an administrative hearing. The filing of an application pursuant to this section shall not affect provisions of Section 30242 relating to the finality date of the determination or to penalty or interest.

SEC. 5. Section 32313 is added to the Revenue and Taxation Code, to read:

32313. In accordance with such rules and regulations as the board may prescribe, the person against whom a jeopardy determination is made may apply for an administrative hearing for one or more of the following purposes:

(a) To establish that the determination is excessive; or

(b) To establish that the sale of property that may be seized after issuance of the jeopardy determination or any part thereof shall be delayed pending the administrative hearing because the sale would result in irreparable injury to the person; or

(c) To request the release of all or a part of the property to the person; or

(d) To request a stay of collection activities. The application shall be filed within 30 days after service of the notice of jeopardy determination and shall be in writing and state the specific factual and legal grounds upon which it is founded. No security need be posted to file the application and to obtain this hearing. However, if the person does not deposit within the 10-day period prescribed in Section 32312, such security as the board may deem necessary to ensure compliance with this part, the filing of the application shall not operate as a stay of collection activities, except sale of property seized after issuance of the jeopardy determination. Upon a showing of good cause for failure to file a timely application for administrative hearing, the board may allow a filing of the application and grant the person an administrative hearing. The filing of an application pursuant to this section shall not affect provisions of Section 32311 relating to the finality date of the determination or to penalty or interest.

CHAPTER 330

An act to amend Sections 22754, 22790, and 22795 of the Government Code, and to amend Section 1391 of the Health and Safety Code, relating to health.

[Approved by Governor August 17, 1977 Filed with Secretary of State August 18, 1977.]

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

SECTION 1. Section 22754 of the Government Code is amended to read:

22754. As used in this part the following definitions, unless the context otherwise requires, shall govern the interpretation of terms.

(a) "Board" means the Board of Administration of the Public Employees' Retirement System.

(b) "Employee" means any officer or employee of the State of California or of any agency, department, authority, or instrumentality of the state including the University of California, or any officer or employee who is a local or school member of the Public Employees' Retirement System employed by a contracting agency which has elected to be or otherwise has become subject to this part, except persons employed on an intermittent, irregular or less than half-time basis, or employees similarly situated, or employees in respect to whom contributions by the state for any type of plan or program offering prepaid hospital and medical care are otherwise authorized by law.

(c) "Carrier" means a private insurance company holding a valid outstanding certificate of authority from the Insurance Commissioner of the state, a medical society or other medical group, a nonprofit hospital service plan qualifying under Chapter 11A (commencing with Section 11491) of Part 2 of Division 2 of the Insurance Code, or nonprofit membership corporation lawfully operating under Section 9200 or Section 9201 of the Corporations Code, or a health care service plan as defined under subdivision (f) of Section 1345 of the Health and Safety Code, or a health maintenance organization approved under Title XIII of the federal Public Health Services Act, which is lawfully engaged in providing, arranging, paying for, or reimbursing the cost of personal health services under insurance policies or contracts, medical and hospital service agreements, membership contracts, or the like, in consideration of premiums or other periodic charges payable to it.

(d) "Health benefits plan" means a group insurance policy or contract, medical or hospital service agreement, membership or subscription contract, or similar group arrangement provided by a carrier for the purpose of providing, arranging, paying for, or reimbursing the cost of basic hospital and medical care and for major medical or other comprehensive benefit plans.

(e) "Annuitant" means:

(1) Any person who has retired while an employee and who receives any retirement allowance under any state or University of California retirement system to which the state was a contributing party.

(2) A family member receiving an allowance as the survivor of an annuitant who has retired as provided in subdivision (1), or as the

survivor of a deceased employee under Sections 21364, 21365.5 or 21382 of this code or similar provisions of any other state retirement system.

(f) "Family member" means an employee's or annuitant's spouse and any unmarried child (including an adopted child, a stepchild, or recognized natural child who lives with the employee or annuitant in a regular parent-child relationship). The board shall, by regulation, prescribe age limits and other conditions and limitations pertaining to unmarried children.

(g) "Employee organization" means an association or other organization of employees in which membership is open to employees or annuitants of the state, and which is not organized solely or principally for the purpose of obtaining prepaid hospital and medical care.

(h) "Contracting agency" means any contracting agency as defined in Section 20010, and any school district, county board of education, personnel commission of a school district or a county superintendent of schools.

(i) "Employer" means the state and any contracting agency employing an employee.

SEC. 2. Section 22790 of the Government Code is amended to read:

22790. The board may contract with carriers for basic health benefit plans, comprehensive benefit plans, and, for employees and annuitants who are also covered under basic plans, major medical plans or approve basic health benefit plans offered by employee organizations, provided that the carriers have operated successfully in the prepaid hospital and medical care field prior to the contracting for or approval thereof. Such plans shall include hospital benefits, surgical benefits, in-hospital medical benefits, outpatient benefits, obstetrical benefits, and may include other benefits including, but not limited to, benefits offered by a bona fide church, sect, denomination or organization whose principles include healing entirely by prayer or spiritual means. The board may contract with health maintenance organizations approved under Title XIII of the federal Public Health Services Act. The board shall approve any basic health benefit plan in existence on January 1, 1962, which meets the requirements of this part and the minimum standards and other rules and requirements prescribed by the board, and for which payroll deductions were authorized under Section 1156 of this code.

SEC. 3. Section 22795 of the Government Code is amended to read:

22795. The provisions of this article shall not supersede, modify, or in any manner alter or impair the effect of any provision, section, or article of Chapter 5 of Division 2 of the Business and Professions Code, or any provision, section, article, or chapter of the Insurance Code or any article of Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code. This article shall be interpreted and applied in a manner consistent with Chapter 5 of Division 2 of the Business and Professions Code, Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and

Safety Code, and with the Insurance Code.

SEC 4. Section 1391 of the Health and Safety Code is amended to read:

1391. The commissioner may issue an order directing a plan, solicitor firm, or any representative thereof, or solicitor to cease and desist from engaging in any act or practice in violation of the provisions of this chapter.

Within 15 days after service of the order of cease and desist, the respondent may request a hearing on the question of whether acts or practices in violation of this chapter have occurred. If a timely request for a hearing is made, such request shall automatically stay the effect of the order only to the extent that such order either requires the cessation of operation of the plan or prohibits acceptance of new members by the plan, unless reports or documents submitted to the commissioner by the plan pursuant to this chapter shall on their face show that the plan is in violation of any fiscal requirement of this chapter. In the event of such automatic stay, only that portion of the order requiring cessation of operation or prohibiting enrollment shall be stayed and all other portions of the order shall remain effective. If a hearing is held, and a finding is made that the health or safety of the members and potential members of the plan might be adversely affected by its continued operation, the stay shall be terminated. Such a finding shall be made, if at all, not later than 30 days after the date of the hearing.

CHAPTER 331

An act to amend Section 34351 of the Food Agricultural Code, relating to licenses and fees and making an appropriation therefor.

[Approved by Governor August 17, 1977. Filed with Secretary of State August 18, 1977.]

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

SECTION 1. Section 34351 of the Food Agricultural Code is amended to read:

34351. Fees shall be paid by the owner to the department for glassware which is examined for compliance with the prescribed standards.

The director shall establish fees to recover the actual cost of examining Babcock test bottles, Babcock pipettes, and lactometers.

CHAPTER 332

An act to amend Sections 4531, 4812, 5110, and 5125 of the Civil Code, relating to family law.

[Approved by Governor August 17, 1977. Filed with Secretary of State August 18, 1977.]

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

SECTION 1. Section 4531 of the Civil Code is amended to read:

4531. For the purpose of proceedings for a dissolution of marriage, the husband and wife each may have a separate domicile or residence depending upon proof of the fact and not upon legal presumptions.

SEC. 2. Section 4812 of the Civil Code is amended to read:

4812. In the event obligations for property settlement to a spouse or support of a spouse are discharged in bankruptcy, the court may make all proper orders for the support of such spouse, as the court may deem just, having regard for the circumstances of the respective parties and the amount of any obligations under a property settlement agreement which are discharged.

SEC. 3. Section 5110 of the Civil Code is amended to read:

5110. Except as provided in Section 5107, 5108, and 5109 and subdivision (c) of Section 5122, all real property situated in this state and all personal property wherever situated acquired during the marriage by a married person while domiciled in this state, and property held in trust pursuant to Section 5113.5, is community property; but whenever any real or personal property, or any interest therein or encumbrance thereon, is acquired prior to January 1, 1975, by a married woman by an instrument in writing, the presumption is that the same is her separate property, and if so acquired by such married woman and any other person the presumption is that she takes the part acquired by her, as tenant in common, unless a different intention is expressed in the instrument; except, that when any of such property is acquired by husband and wife by an instrument in which they are described as husband and wife, unless a different intention is expressed in the instrument, the presumption is that such property is the community property of said husband and wife. When a single-family residence of a husband and wife is acquired by them during marriage as joint tenants, for the purpose of the division of such property upon dissolution of marriage or legal separation only, the presumption is that such single-family residence is the community property of said husband and wife. The presumptions in this section mentioned are conclusive in favor of any person dealing in good faith and for a valuable consideration with such married woman or her legal representatives or successors in interest, and regardless of any change in her marital status after acquisition of said property.

In cases where a married woman has conveyed, or shall hereafter convey, real property which she acquired prior to May 19, 1889, the husband, or his heirs or assigns, of such married woman, shall be barred from commencing or maintaining any action to show that the real property was community property, or to recover the real property from and after one year from the filing for record in the recorder's office of such conveyances, respectively.

As used in this section, personal property does not include and real property does include leasehold interests in real property.

SEC. 4. Section 5125 of the Civil Code is amended to read:

5125. (a) Except as provided in subdivisions (b), (c), and (d) and Sections 5113.5 and 5128, either spouse has the management and control of the community personal property, whether acquired prior to or on or after January 1, 1975, with like absolute power of disposition, other than testamentary, as the spouse has of the separate estate of the spouse.

(b) A spouse may not make a gift of community personal property or dispose of community personal property without a valuable consideration, without the written consent of the other spouse.

(c) A spouse may not sell, convey, or encumber the furniture, furnishings, or fittings of the home, or the clothing or wearing apparel of the other spouse or minor children which is community personal property, without the written consent of the other spouse.

(d) A spouse who is operating or managing a business or an interest in a business which is community personal property has the sole management and control of the business or interest.

(e) Each spouse shall act in good faith with respect to the other spouse in the management and control of the community property.

CHAPTER 333

An act to amend Sections 8763, 8766, 8767, 8768, and 8772 of the Education Code, relating to outdoor school programs, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 17, 1977. Filed with Secretary of State August 18, 1977.]

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

SECTION 1. Section 8763 of the Education Code is amended to read:

8763. The county superintendent of schools may, with the approval of the county board of education, enter into agreements with the governing board of one or more school districts, community college districts, or private schools to provide programs and classes in outdoor science education and conservation education for pupils in the district or private school. Except as otherwise provided in this

article, the agreement shall provide for the payment by the district or the private school of the actual cost of providing such programs or classes. The county superintendent of schools shall transfer from the funds of the district or the private school shall pay, as the case may be, to the county school service fund the amounts set forth in the agreement.

SEC. 2. Section 8766 of the Education Code is amended to read:

8766. The county superintendent of schools may, with the approval of the county board of education, acquire by gift and maintain real or personal property needed for such programs and classes with title thereto vested in the office of the county superintendent of schools. The school districts or community college districts or private schools participating in such programs and classes shall not be required to reimburse the county superintendent of schools for use of real and personal property which is acquired by gift.

SEC. 3. Section 8767 of the Education Code is amended to read:

8767. The county superintendent of schools may, with the approval of the county board of education, provide the coordination services authorized by Section 1703 in connection with programs and classes in outdoor science education and conservation education and the participating districts or private schools shall not be required to reimburse the county superintendent for the cost of such coordination services.

SEC. 4. Section 8768 of the Education Code is amended to read:

8768. Any such agreement between the county superintendent of schools and school districts or community college districts or private schools may provide for the purchase or lease of any real property necessary to conduct classes in outdoor science education and conservation education. If real property is purchased pursuant to such an agreement, title to such real property shall be vested in the office of the county superintendent of schools and the participating school districts, community college districts, or private schools shall have no interest in such property, nor in the proceeds of any sale, lease, exchange, or other disposition of such property, unless the parties otherwise provide in the agreement which authorizes the acquisition of such property.

SEC. 5. Section 8772 of the Education Code is amended to read:

8772. All proceeds from the sale, lease, exchange, or other disposition of real or personal property received by the county superintendent of schools pursuant to the provisions of this article shall be used for the purpose of acquiring other real or personal property for use in connection with programs and classes in outdoor science education and conservation education or to pay the cost of conducting such programs and classes. The school districts, community college districts, and private schools participating in such programs and classes shall not be required to reimburse the county superintendent of schools for use of the real or personal property acquired with such funds nor shall they be required to reimburse the county superintendent of schools for any of the costs of conducting

such programs and classes which are paid by the county superintendent of schools out of such funds.

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

In order that this act may take effect prior to the commencement of the 1977–78 school year and thereby expand the authorized educational programs to private school pupils, at the earliest possible time, it is essential that this act take immediate effect.

CHAPTER 334

An act to amend Section 204 of the Probate Code, relating to community property.

[Approved by Governor August 17, 1977. Filed with Secretary of State August 18, 1977.]

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

SECTION 1. Section 204 of the Probate Code is amended to read:

204. When a deceased spouse disposes by will of all or part of his or her interest in the community property to someone other than the surviving spouse or when the will of a deceased spouse contains a trust or limits the surviving spouse to a qualified ownership in the property, that part of the interest of the deceased spouse in the community property disposed of to someone other than the surviving spouse, disposed of in trust, or limiting the surviving spouse to a qualified ownership in the property shall be subject to administration under Division 3 (commencing with Section 300). A will that provides for a devise or bequest of community property to the surviving spouse if such spouse survives the deceased spouse by a specified period of time shall not be considered to create such a qualified ownership as to fall within the provision of this section, if the specified period of time has expired.

CHAPTER 335

An act to add Section 8136 to the Health and Safety Code, relating to cemeteries.

[Approved by Governor August 17, 1977. Filed with Secretary of State August 18, 1977.]

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

SECTION 1. Section 8136 is added to Health and Safety Code, to read:

8136. Any city, including a chartered city, which owns and operates a cemetery may maintain a proceeding in the superior court of the county in which the cemetery is located to have any plot in the cemetery declared abandoned if the present owner of the plot is unknown to the city and a period of at least 50 years has passed since any portion of the plot has been used for interment purposes. Any such proceeding shall be initiated and conducted in the same manner as prescribed by Article 2 (commencing with Section 9300) of Chapter 12 of Part 4 of this division, except that any reference in such provisions to a cemetery district shall be deemed to be a reference to the city for purposes of this section.

Upon obtaining a final court order pursuant to this section, the city shall thereafter be the owner of the abandoned plot and may resell or otherwise reconvey it.

CHAPTER 336

An act to add Sections 68520.5, 70050, and 70054.7 to the Government Code, relating to courts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 17, 1977. Filed with Secretary of State August 18, 1977.]

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

SECTION 1. Section 68520.5 is added to the Government Code, to read:

68520.5. (a) The Judicial Council shall provide by rule for the maintenance of records as described in subdivision (c), which shall be filed with the council by each official reporter and official reporter pro tempore of any court located in San Benito County. Such records shall be inspected and audited by the Judicial Council.

(b) The Judicial Council shall submit an annual report to the board of supervisors of any such county and to the Legislature summarizing the information contained in the records.

(c) Each such annual report shall include the following information relative to the official court reporters of the county:

(1) The quantity and types of transcripts prepared by the official reporters and official reporters pro tempore during the reporting period.

(2) The fees charged and the fees collected for such transcripts.

(3) Expenses incurred by the reporters in connection with the preparation of such transcripts.

(4) The amount of time the reporters have spent in attendance upon the courts for the purpose of reporting proceedings, and the

compensation received for this purpose.

(5) Such other information as the Judicial Council may require.

SEC. 2. Section 70050 is added to the Government Code, to read:

70050. In San Benito County, the board of supervisors shall fix the salary of regular official reporters and the compensation of official reporters pro tempore, which shall be at a rate of not more than seventy-five dollars ($75) a day.

During the hours which the court is open for the transaction of judicial business, official reporters shall devote full time to the performance of the duties required of them by law and shall not engage in or solicit to engage in any other employment in their professional capacity.

SEC. 3. Section 70054.7 is added to the Government Code, to read:

70054.7. Notwithstanding the provisions of Sections 70053 and 70054, in a county with a population of over 18,000 and under 19,500 as determined by the 1970 federal census:

(a) In order to help defray the costs of reporting services, in addition to any fees otherwise required by law, a fee of ten dollars ($10) shall be paid to the county clerk by each party, or jointly by parties appearing jointly, in each of the following instances:

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

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

(3) Where Section 26826 requires the party or parties to pay the clerk a fee on the appearance in a civil action or special proceeding of a defendant, intervenor, respondent, correspondent, or adverse party, except in an appeal from an inferior court.

(4) Where Section 26827 requires such party or parties to pay the county clerk a fee for the filing of a petition or other paper in a probate, guardianship, conservatorship, or other proceeding specified in that section.

(b) In addition to any fee otherwise required, in civil cases that last longer than five judicial days, a fee per day equal to the per diem rate for official reporters pro tempore shall be charged to the parties for the services of an official reporter for the sixth and each successive day a reporter is required.

(c) In addition to any fee otherwise required, in a civil case in which the court orders a daily transcript, necessitating the services of two phonographic reporters, the party requesting the daily transcript shall pay a fee per day equal to the per diem rate for official reporters pro tempore for the services of the second reporter for the first and each successive day.

(d) All fees paid under this section shall be taxed as costs.

SEC. 4. The Legislature hereby finds and declares that, in view of

its constitutionally delegated responsibility of setting salaries for court reporters, it is necessary to obtain information regarding the total compensation paid to court reporters from all sources so as to allow proper evaluation of legislative proposals relating to court reporters' salaries on an ongoing basis.

Such legislative proposals are not made on a uniform, statewide basis, but on a county-by-county basis. Therefore, it is necessary to monitor the compensation provided court reporters on an individual county basis reflecting the periodic legislative proposals which are made for specific counties. Accordingly, this legislation affecting San Benito County is necessary to permit the Legislature to carry out its constitutionally delegated responsibility of setting court reporters' salaries in this county in view of the submitted request for an adjustment in the compensation provided to court reporters in such county.

SEC. 5. In the event that Section 68520.5 of the Government Code as it relates to San Benito County or Section 2 of this act, or the application thereof, is enjoined, restrained, or otherwise held invalid, Section 2 of this act shall be void, and to this end, Section 2 of this act and Section 68520.5 of the Government Code as it relates to San Benito County are inseverable.

SEC. 6. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because this act is in accordance with the request of a local governmental entity or entities which desire legislative authority to act to carry out the program specified in this act.

SEC. 7. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Full-time court reporters are urgently needed by the Superior Court of the County of San Benito to aid the court in fulfilling its duties. This urgent need will in turn produce significant additional costs to the County of San Benito. It is necessary to help defray the costs of full-time reporters as quickly as possible.

CHAPTER 337

An act to amend Section 70026 of the Government Code and Sections 7 and 8 of Chapter 1443 of the Statutes of 1976, relating to courts.

[Approved by Governor August 17, 1977. Filed with Secretary of State August 18, 1977.]

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

SECTION 1. Section 70026 of the Government Code is amended to read:

70026. In a county mentioned in Section 70025, an additional fee of twenty-two dollars ($22) shall be paid to the county clerk by each party, or jointly by parties appearing jointly, whenever a filing fee is required to be paid by Section 26821, 26822, 26823, 26826 or 26827, and no other fee for reporting service, except for transcripts, shall be charged any party. Such additional fee shall be taxed as costs in favor of any party paying it and who is entitled to recover his costs. Such fee shall not be subject to the provisions of Section 6103, unless the fund to which said fee would accrue is the same fund as the source thereof.

SEC. 2. Section 7 of Chapter 1443 of the Statutes of 1976 is amended to read:

Sec. 7. In the event that Section 68519 of the Government Code as it relates to San Bernardino County or Section 3 of this act, or the application thereof, is enjoined, restrained, or otherwise held invalid, Section 3 of this act shall be void, and to this end, Section 3 of this act and Section 68519 of the Government Code as it relates to San Bernardino County are inseverable.

SEC. 3. Section 8 of Chapter 1443 of the Statutes of 1976 is amended to read:

Sec. 8. In the event that Section 1 or 4 of this act, or the application thereof, is enjoined, restrained, or otherwise held invalid, every application of Sections 1 and 4 of this act shall be void, and to this end Sections 1 and 4 of this act are inseverable.

SEC. 4. In the event that Section 68514 of the Government Code as it relates to Riverside County or Section 1 of this act, or the application thereof, is enjoined, restrained, or otherwise held invalid, Section 1 of this act shall be void, and to this end, Section 1 of this act and Section 68514 of the Government Code as it relates to Riverside County are inseverable.

CHAPTER 338

An act to amend Section 23102 of the Business and Professions Code, relating to alcoholic beverage licenses.

[Approved by Governor August 17, 1977. Filed with Secretary of State August 18, 1977.]

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

SECTION 1. Section 23102 of the Business and Professions Code is amended to read:

23102. (a) On the death, insolvency or incompetency to act of a natural person who is a licensee, the privileges of the license may be exercised by a competent surviving colicensee for thirty (30) days or

until an administrator, executor, guardian, conservator, receiver, trustee or assignee for the benefit of creditors of the estate of the deceased, incompetent or insolvent licensee has been appointed, whichever first occurs. If there is no competent surviving colicensee, the privileges of the license may be exercised by any person acting on behalf of the deceased or incompetent licensee or his estate.

(b) At the end of the period permitted by subsection (a) of this section the privileges of the license may be exercised for sixty (60) days without transfer and thereafter upon transfer by the administrator, executor, guardian, conservator, receiver, trustee or assignee for the benefit of creditors of the estate of the deceased, incompetent or insolvent licensee, acting jointly with any competent surviving colicensee if such joint action is required by law. The sixty (60) day period provided for in this subsection may be extended by the department for good cause.

(c) If prior to the expiration of the period permitted by subsection (b) and any extension thereof there has been filed and is pending an application to transfer the license pursuant to Section 24071 or otherwise, the persons exercising the privilege of the license under subsection (b) may continue to do so until such application is finally granted or denied.

(d) If the license was issued to a taxpayer as defined in Section 32005 of the Revenue and Taxation Code, the person exercising the privileges of the license hereunder shall be deemed to be a taxpayer and shall file an appropriate bond for the purposes of Part 14 (commencing at Section 32001) of Division 2 of the Revenue and Taxation Code.

CHAPTER 339

An act to amend Sections 4100 and 4101 of the Civil Code, relating to marriage.

[Approved by Governor August 17, 1977. Filed with Secretary of State August 18, 1977.]

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

SECTION 1. Section 4100 of the Civil Code is amended to read:

4100. Marriage is a personal relation arising out of a civil contract between a man and a woman, to which the consent of the parties capable of making that contract is necessary. Consent alone will not constitute marriage; it must be followed by the issuance of a license and solemnization as authorized by this code, except as provided by Section 4213.

SEC. 2. Section 4101 of the Civil Code is amended to read:

4101. (a) Any unmarried male of the age of 18 years or upwards, and any unmarried female of the age of 18 years or upwards, and not

otherwise disqualified, are capable of consenting to and consummating marriage.

(b) Any unmarried male or female under the age of 18 years is capable of consenting to and consummating marriage if each of the following documents is filed with the clerk issuing the marriage license as provided in Section 4201:

(1) The consent in writing of the parents of each person who is underage, or of one of such parents, or of his or her guardian.

(2) After such showing as the superior court may require, an order of such court granting permission to such underage person to marry.

(c) As part of the order under subdivision (b), the court shall require the parties to such prospective marriage of a person under the age of 18 years to participate in premarital counseling concerning social, economic, and personal responsibilities incident to marriage, if it deems such counseling necessary. Such parties shall not be required, without their consent, to confer with counselors provided by religious organizations of any denomination. In determining whether to order the parties to participate in such premarital counseling, the court shall consider, among other factors, the ability of the parties to pay for such counseling.

CHAPTER 340

An act to repeal and add Chapter 21 (commencing with Section 17600) to Part 10 of the Education Code, relating to state school building aid bonds, and providing for the submission of the measure to the people at the 1978 direct primary election.

[Approved by Governor August 20, 1977. Filed with Secretary of State August 20, 1977.]

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

SECTION 1. Chapter 21 (commencing with Section 17600) of Part 10 of the Education Code is repealed.

SEC. 2. Chapter 21 (commencing with Section 17600) is added to Part 10 of the Education Code, to read:

CHAPTER 21. STATE SCHOOL BUILDING AID BOND LAW OF 1978

17600. This act may be cited as the State School Building Aid Bond Law of 1978.

17601. The State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code) is adopted for the purpose of the issuance, sale, and repayment of, and otherwise providing with respect to, the bonds authorized to be issued by this chapter, and the provisions of that law are included in this chapter as though set out in full in this

chapter. All references in this chapter to "herein" shall be deemed to refer both to this chapter and such law.

17602. As used in this chapter, and for the purposes of this chapter as used in the State General Obligation Bond Law, the following words shall have the following meanings:

(a) "Committee" means the State School Building Finance Committee created by Section 15909.

(b) "Board" means the State Allocation Board.

(c) "Fund" means either the State School Building Aid Fund or the State School Building Lease-Purchase Fund as specified by the board for the purposes of Section 17614 and as otherwise determined by law.

17603. For the purpose of creating a fund to provide aid to school districts of the state in accordance with the provisions of the State School Building Aid Law of 1952 and the State School Building Lease-Purchase Law of 1976, and of all acts amendatory thereof and supplementary thereto, and to provide funds to repay any money advanced or loaned to the State School Building Aid Fund or the State School Building Lease-Purchase Fund under any act of the Legislature, together with interest provided for in that act, and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code, the committee shall be and is hereby authorized and empowered to create a debt or debts, liability or liabilities, of the State of California, in the aggregate amount of three hundred fifty million dollars ($350,000,000) in the manner provided herein, but not in excess thereof.

17604. All bonds herein authorized, which shall have been duly sold and delivered as herein provided, shall constitute valid and legally binding general obligations of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal and interest thereof.

There shall be collected annually in the same manner and at the same time as other state revenue is collected such a sum, in addition to the ordinary revenues of the state as shall be required to pay the principal and interest on said bonds as herein provided, and it is hereby made the duty of all officers charged by law with any duty in regard to the collection of said revenue, to do and perform each and every act which shall be necessary to collect such additional sum.

On the several dates of maturity of said principal and interest in each fiscal year, there shall be transferred to the General Fund in the State Treasury, all of the money in the fund, not in excess of the principal of and interest on the said bonds then due and payable, except as herein provided for the prior redemption of said bonds, and, in the event such money so returned on said dates of maturity is less than the said principal and interest then due and payable, then the balance remaining unpaid shall be returned into the General Fund in the State Treasury out of the fund as soon thereafter as it shall become available.

17605. All money deposited in the fund (1) as annual repayments pursuant to Section 16080, or (2) as lease payments pursuant to Section 17726, or (3) pursuant to the provisions of Part 2 (commencing with Section 16300) of Division 4 of Title 2 of the Government Code, shall be available only for transfer to the General Fund, as provided in Section 17604. When transferred to the General Fund such money shall be applied as a reimbursement to the General Fund on account of principal and interest due and payable or paid from the General Fund on the earliest issue of school building bonds for which the General Fund has not been fully reimbursed by such transfer of funds.

17606. There is hereby appropriated from the General Fund in the State Treasury for the purpose of this chapter, such an amount as will equal the following:

(a) Such sum annually as will be necessary to pay the principal of and the interest on the bonds issued and sold pursuant to the provisions of this chapter as said principal and interest become due and payable.

(b) Such sum as is necessary to carry out the provisions of Section 17607, which sum is appropriated without regard to fiscal years.

17607. For the purposes of carrying out the provisions of this chapter the Director of Finance may by executive order authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds which the committee has by resolution authorized to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the fund to be allocated by the board in accordance with this chapter. Any moneys made available under this section to the board shall be returned by the board to the General Fund from moneys received from the sale of bonds sold for the purpose of carrying out this chapter.

17608. Upon request of the board, supported by a statement of the apportionments made and to be made pursuant to Sections 16000 to 16201, inclusive, and Chapter 22 (commencing with Section 17700) of Part 10 of Division 1 of Title 1, the committee shall determine whether or not it is necessary or desirable to issue any bonds authorized under this chapter in order to make such apportionments, and, if so, the amount of bonds then to be issued and sold. A sufficient number of bonds authorized under this chapter shall be issued and sold so that seventy-five million dollars ($75,000,000) shall be available for apportionment on July 1, 1978, and ten million dollars ($10,000,000) shall become available for apportionment on the fifth day of each month thereafter until a total of three hundred fifty million dollars ($350,000,000) has become available for apportionment. Successive issues of bonds may be authorized and sold to make such apportionments progressively, and it shall not be necessary that all of the bonds herein authorized to be issued shall be sold at any one time.

17609. In computing the net interest cost under Section 16754 of

the Government Code, interest shall be computed from the date of the bonds or the last preceding interest payment date, whichever is latest, to the respective maturity dates of the bonds then offered for sale at the coupon rate or rates specified in the bid, such computation to be made on a 360-day year basis.

17610. The committee may authorize the State Treasurer to sell all or any part of the bonds herein authorized at such time or times as may be fixed by the State Treasurer.

17611. All proceeds from the sale of the bonds herein authorized deposited in the fund, as provided in Section 16757 of the Government Code, except those derived from premium and accrued interest, shall be available for the purpose herein provided, but shall not be available for transfer to the General Fund pursuant to Section 17604 to pay principal and interest on bonds.

17612. With respect to the proceeds of bonds authorized by this chapter, all the applicable provisions of Sections 16000 to 16207, inclusive, and Sections 17700 to 17749, inclusive, shall apply.

17613. Out of the first money realized from the sale of bonds under this chapter, there shall be repaid any moneys advanced or loaned to the State School Building Aid Fund or to the State School Building Lease-Purchase Fund under any act of the Legislature, together with interest provided for in that act.

17614. Of the moneys made available by this chapter not to exceed the sum of one hundred million dollars ($100,000,000), or such amount thereof that the board may determine necessary therefor, shall be available for the purposes of Sections 16000 to 16207, inclusive, of the State School Building Aid Law of 1952, and the balance of moneys made available by this chapter shall be available for the purposes of the State School Building Lease-Purchase Law of 1976.

SEC. 3. Section 2 of this act shall take effect upon the adoption by the people of the State School Building Aid Bond Law of 1978, as set forth in Section 2 of this act. Sections 3 to 6 of this act contain provisions relating to and necessary for the submission of the State School Building Aid Bond Law of 1978 to the people, and for returning, canvassing, and proclaiming the votes thereon.

SEC. 4. The State School Building Aid Bond Law of 1978, as set forth in Section 2 of this act, shall be submitted to the people of the State of California for their ratification at the direct primary election, to be held in the month of June 1978, and shall appear as the first proposition on the ballot.

SEC. 5. All ballots at said election shall have printed thereon and in a square thereof, the words: "For the State School Building Aid Bond Law of 1978," and in the same square under said words the following in eight-point type: "This act provides for a bond issue of three hundred fifty million dollars ($350,000,000) to provide capital outlay for construction or improvement of public schools." In the square immediately below the square containing such words, there shall be printed on said ballot the words: "Against the State School

Building Aid Bond Law of 1978," and in the same square immediately below said words, in eight-point type shall be printed "This act provides for a bond issue of three hundred fifty million dollars ($350,000,000) to provide capital outlay for construction or improvement of public schools." Opposite the words "For the State School Building Aid Bond Law of 1978," and "Against the State School Building Aid Bond Law of 1978," there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against said act, and those voting for said act shall do so by placing a cross opposite the words "For the State School Building Aid Bond Law of 1978," and those voting against the said act shall do so by placing a cross opposite the words "Against the State School Building Aid Bond Law of 1978." Provided, that where the voting of said election is done by means of voting machines used pursuant to law in such manner as to carry out the intent of this section, such use of such voting machines and the expression of the voters' choice by means thereof, shall be deemed to comply with the provisions of this section.

SEC. 6. The votes cast for or against the State School Building Aid Bond Law of 1978 shall be counted, returned, and canvassed and declared in the same manner and subject to the same rules as votes cast for state officers; and if it appears that said act shall have received a majority of all the votes cast for and against it at said election as aforesaid, then the same shall have effect as hereinbefore provided, and shall be irrepealable until the principal and interest of the liabilities herein created shall be paid and discharged; but if a majority of the votes cast as aforesaid are against this act then the same shall be and become void.

CHAPTER 341

An act to amend Section 144.5 of the Labor Code, relating to the State Department of Health.

[Approved by Governor August 20, 1977. Filed with Secretary of State August 20, 1977.]

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

SECTION 1. Section 144.5 of the Labor Code is amended to read:

144.5. (a) The State Department of Health in connection with the enforcement of occupational safety and health standards adopted pursuant to this chapter shall do all of the following:

(1) Upon request from the Division of Industrial Safety, assist in the conduct of inspections or investigations related to specific workplaces for the evaluation of occupational health problems or environmental conditions which may be harmful to the health of employees. The State Department of Health shall report its finding

to the division as soon as practicable.

(2) Upon request of the Division of Industrial Safety, any employer or employee, or on its own initiative, conduct special investigations or studies of occupational health problems which are unrelated to a specific enforcement action to the extent the circumstances indicate and priorities permit. Studies initiated by the State Department of Health shall be coordinated with and reported to the division.

(3) Provide a continuing program of training for safety engineers of the Division of Industrial Safety in the recognition of health hazards, in dealing with such hazards that do not require specialized competence or equipment and in acquainting them with the skills available from the State Department of Health and local health agencies.

(b) (1) When requested by a local health department, the State Department of Health shall enter into a written agreement with such local health department to conduct inspections and evaluations of occupational health problems, including environmental and sanitary conditions, in places of employment.

(2) Any such agreement shall be subject to the provisions of Section 144. It shall be entered into only with the specific agreement of the Department of Industrial Relations and only after a finding by the Department of Industrial Relations that the local health department can meet the necessary standards of performance for inspections and evaluations to be conducted pursuant to the agreement.

(3) Such agreement shall not be binding upon either party unless and until it has been fully approved by the United States Department of Labor.

(4) Such agreements shall be completed by the State Department of Health and submitted for approval to the United States Department of Labor not later than six months from the date of request by the local health department.

(5) Inspection services performed under the agreement shall be conducted pursuant to the occupational safety and health standards adopted pursuant to this chapter.

CHAPTER 342

An act to amend Sections 34312, 34315, 41557 and 42064 of the Health and Safety Code, relating to housing.

[Approved by Governor August 20, 1977. Filed with Secretary of State August 20, 1977.]

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

SECTION 1. Section 34312 of the Health and Safety Code is amended to read:

34312. Within its area of operation, an authority may:

(a) Prepare, carry out, acquire, lease, and operate housing projects.

(b) Provide for the construction, reconstruction, improvement, alteration, or repair of all or part of any housing project.

(c) Provide leased housing to persons of low income.

(d) Provide financing for the construction or rehabilitation of residential structures for persons of low income. With respect to financing activities conducted pursuant to Part 3 (commencing with Section 41300) or Part 5 (commencing with Section 42000) of Division 31, the authority shall obtain certification as a qualified mortgage lender pursuant to Section 41057.

(e) Provide counseling, referral, and advisory services to persons of low income in connection with the purchase, rental, occupancy, maintenance, or repair of housing.

SEC. 2. Section 34315 of the Health and Safety Code is amended to read:

34315. An authority may:

(a) Lease or rent any dwellings, houses, accommodations, lands, buildings, structures, or facilities embraced in any housing project and establish and revise the rents or charges for them.

(b) Own, hold, and improve real or personal property.

(c) Purchase, lease, obtain option upon, acquire by gift, grant, bequest, devise, or otherwise any real or personal property or any interest in property.

(d) Acquire any real property by eminent domain.

(e) Sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property or any interest in it.

(f) Insure or provide for the insurance of any real or personal property or operations of the authority against any risks or hazards.

(g) Lend upon the security of a deed of trust in connection with the sale of real property to persons of low income or the implementation of government housing and rehabilitation financing programs for persons of low income. With respect to financing activities conducted pursuant to Part 3 (commencing with Section 41300) or Part 5 (commencing with Section 42000) of Division 31, the authority shall obtain certification as a qualified mortgage lender pursuant to Section 41057.

(h) Procure insurance or guarantees from the federal government or the California Housing Finance Agency of the payment of all or part of any debts, whether or not incurred by the authority, secured by mortgages on any property included in any of its housing projects.

SEC. 3. Section 41557 of the Health and Safety Code is amended to read:

41557. Relocation payments shall be made to persons and families displaced in making a site or a residential structure available for rehabilitation or construction financed under this chapter, and

relocation advisory assistance provided, as set forth in Section 41397. Relocation payments shall also be made to owners involuntarily displaced because of inability to afford costs of compliance required pursuant to this chapter.

SEC. 4. Section 42064 of the Health and Safety Code is amended to read:

42064. Loans insured pursuant to this part shall meet the following requirements:

(a) The loans shall be made for a period acceptable to the agency, not to exceed 40 years or four-fifths of the remaining economic life of the structure as determined by the agency in accordance with its regulations, whichever is less.

(b) The loans shall be subject to maximum loan amounts for each category of loan authorized to be insured under this part, as established by regulations of the agency.

(c) The loan shall be secured by mortgages.

(d) The agency shall establish loan-to-value limitations for each category of loan and may set forth limitations on the further encumbrance of structures and other real property securing loans, but only to the extent necessary to prevent unreasonable impairment of the agency's security. In no case involving refinancing or purchase shall the loan have a principal obligation in an amount exceeding the sum of the estimated cost of rehabilitation, if any, and either the amount required to refinance existing indebtedness secured by the property or in the case of a sale, the amount of the purchase price and settlement and closing costs incurred in connection with the purchases.

(e) Loans for the rehabilitation of residential structures shall have a principal obligation not exceeding an amount which, when added to any outstanding indebtedness constituting a lien upon the property securing the loan, creates a total outstanding indebtedness which could be reasonably secured by a first mortgage on the property pursuant to subdivision (d), and as set forth by regulations of the agency.

(f) With respect to any loan for the rehabilitation of a residential structure, the agency shall determine that such repair and improvement is economically feasible. With respect to the rehabilitation of a mixed-use residential and commercial structure or of a commercial structure, the agency shall determine that there will be a demand for commercial occupancy of the residential structure after rehabilitation. In making such determination, the level of rent necessitated by repayment of the loan shall be considered.

(g) For the purpose of increasing the efficiency and minimizing the cost of the loan insurance program, the agency may insure or issue commitments to insure loans, upon the certification of an officer of an approved lending institution that the proposed rehabilitation conforms to requirements specified by regulations of the agency regarding economic feasibility and commercial demand.

(h) With respect to any loan for rehabilitation or rehabilitation in

combination with refinancing or purchase, the loan agreement shall provide that all funds loaned for repairs and improvements shall be paid after completion or according to a progress payment schedule to the owner and contractor or other provider of goods or services jointly at such times as payment becomes due, and provided the work or portion of the work for which payment is tendered is certified, as provided by regulation of the agency, to be in compliance with contract specifications and applicable state or local housing or building standards. The agency shall approve the contractor or contractors, the contract to provide rehabilitation construction, and the contract specifications prior to committing any funds of an insured loan for rehabilitation.

(i) The agency shall require that borrowers contract during the term of the loan not to raise residential rentals over an amount which the agency by regulation establishes will yield a fair rate of return and will allow for increases reasonably necessary to provide and continue proper maintenance of the property; except that residential structures with more than one but less than five dwelling units which are to be occupied by the owner shall be regulated as to rentals in a manner consistent with subdivision (h) of Section 41551.

(j) Relocation payments shall be made to persons and families displaced in making a site or a residential structure available for rehabilitation or construction financed by loans insured under this part, and relocation advisory assistance provided to such persons, as specified by Section 41397. Relocation payments shall also be made to owners involuntarily displaced because of inability to afford costs of compliance required pursuant to this part. Relocation payments may be made from the proceeds of insured loans as authorized by the agency.

(k) The residential structure for which a loan is insured pursuant to this part shall be insured against loss due to fire and other causes, as provided by the regulations of the agency.

(*l*) Such other terms and conditions as the agency, by regulation, determines are necessary to further the purposes of this part.

CHAPTER 343

An act to amend Section 465 of, and to add Sections 466 and 467 to, the Public Utilities Code, relating to wages.

[Approved by Governor August 20, 1977. Filed with Secretary of State August 20, 1977.]

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

SECTION 1. Section 465 of the Public Utilities Code is amended to read:

465. (a) Except as provided in subdivision (c), whenever any labor of a custodial or janitorial nature is not performed by the employees of a public utility, such labor shall be let out under contract to the lowest responsible bidder with the provision that prevailing wages be a condition of any such contract. For the purposes of this section, "prevailing wages" shall be deemed to include employer payments for health and welfare, pension, holidays, sick leave, vacation, apprenticeship or other training programs.

(b) A public utility shall implement the provisions of subdivision (a) by requiring the entity with which it contracts to pay its custodial or janitorial employees the prevailing wage. The public utility awarding the contract shall cause to be inserted in the contract a stipulation that the failure to pay prevailing wages shall be cause for the termination of the contract.

(c) Nothing in this section shall prevent a public utility from employing a custodial or janitorial service for a period of 90 days or less without a contract meeting the requirements of subdivision (a) of this section.

(d) The Director of the Department of Industrial Relations shall determine the prevailing wage for custodial or janitorial employees in accordance with the standards set forth in Section 1773 of the Labor Code.

SEC. 2. Section 466 is added to the Public Utilities Code, to read:

466. Pursuant to Section 465, the contractor to whom the contract is awarded and any subcontractor under him shall pay not less than the specified prevailing wage to all workmen performing custodial or janitorial labor in the execution of the contract.

Each contractor and subcontractor shall keep an accurate payroll record, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each janitorial and custodial worker employed by him in connection with the contract. The contractor's and subcontractor's payroll records shall be available for inspection at all reasonable hours, and a copy shall be made available upon request to the employee, or his authorized representative, and the Division of Labor Standards Enforcement. After a complaint has been filed with the Division of Labor Standards Enforcement alleging that the contractor or the subcontractor has paid less than the prevailing wage, the contractor or subcontractor shall upon receipt of a written notice from the Division of Labor Standards Enforcement within 10 days file with the public utility and the Division of Labor Standards Enforcement a certified copy of the payroll records.

SEC. 3. Section 467 is added to the Public Utilities Code, to read:

467. The Division of Labor Standards Enforcement in the Department of Industrial Relations shall enforce Section 466 in the same manner as provided for by Chapter 4 (commencing with

Section 79) of Division 1 of the Labor Code.

CHAPTER 344

An act to amend Sections 82030 and 82036 of, and to repeal and add Section 84214 of, the Government Code, relating to elections, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 20, 1977. Filed with Secretary of State August 20, 1977.]

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

SECTION 1. Section 84214 of the Government Code is repealed.

SEC. 1.5. Section 84214 is added to the Government Code, to read:

84214. (a) Each candidate or committee who makes or receives a late contribution shall report the late contribution to each office with which that candidate or committee is required to file a campaign statement for the election. The candidate or committee who makes the late contribution shall report his full name and street address, and the full name and street address of the person to whom the late contribution has been made, and the date and amount of the late contribution.The recipient of the late contribution shall report his full name and street address, and the full name, street address, occupation, and the name of the employer, if any, or the principal place of business, if self-employed, of the contributor, and the date and amount of the late contribution.

(b) A late contribution shall be reported by telegram or personal delivery within 48 hours of the time it is made in the case of the candidate or committee who makes the contribution and within 48 hours of the time it is received in the case of the recipient. A late contribution shall be reported on subsequent campaign statements without regard to reports filed pursuant to this section.

SEC. 1.6. Section 82030 of the Government Code is amended to read:

82030. (a) "Income" means, except as provided in subsection (b), income of any nature from any source, including but not limited to any salary, wage, advance, payment, dividend, interest, rent, capital gain, return of capital, gift, including any gift of food or beverage, loan, forgiveness or payment of indebtedness, discount in the price of anything of value unless the discount is available to members of the public without regard to official status, rebate, reimbursement for expenses, per diem, or contribution to an insurance or pension program paid by any person other than an employer, and including any community property interest in income of a spouse. Income of an individual also includes a pro rata share of any income of any business entity or trust in which the individual or spouse owns, directly, indirectly or beneficially, a 10-percent interest or greater.

"Income," other than a gift, does not include income received from any source outside the jurisdiction and not doing business within the jurisdiction, not planning to do business within the jurisdiction, or not having done business within the jurisdiction during the two years prior to the time any statement or other action is required under this title.

(b) "Income" also does not include:

(1) Campaign contributions required to be reported under Chapter 4 of this title;

(2) Salary and reimbursement for expenses or per diem received from a state or local government agency and reimbursement for travel expenses and per diem received from a bona fide educational, academic or charitable organization;

(3) Gifts of informational material, such as books, pamphlets, reports, calendars or periodicals;

(4) Gifts which are not used and which, within 30 days after receipt, are returned to the donor or delivered to a charitable organization without being claimed as a charitable contribution for tax purposes;

(5) Gifts from an individual's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, aunt, uncle, or first cousin or the spouse of any such person; provided that a gift from any such person shall be considered income if the donor is acting as an agent or intermediary for any person not covered by this paragraph;

(6) Any devise or inheritance;

(7) Interest, dividends or premiums on a time or demand deposit in a financial institution, shares in a credit union or any insurance policy, payments received under any insurance policy, or any bond or other debt instrument issued by any government or government agency;

(8) Dividends, interest or any other return on a security which is registered with the Securities and Exchange Commission of the United States government.

SEC. 2. Section 82036 of the Government Code is amended to read:

82036. "Late contribution" means any contribution or loan which totals in the aggregate one thousand dollars ($1,000) or more received from any person or made by a candidate or committee to any person before the date of the election but after the closing date of the last campaign statement required to be filed prior to an election.

SEC. 3. The Legislature finds and declares that the provisions of this act further the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of Section 81012 of the Government Code.

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

Special elections are scheduled in the immediate future to which these provisions should be made applicable.

CHAPTER 345

An act to amend Section 7100 of, to amend the heading of Part 5.7 (commencing with Section 14980) of Division 3 of Title 2 of, to amend and renumber the heading of Article 1.5 (commencing with Section 14998.1) of Chapter 2 of Part 5.7 of Division 3 of Title 2 and the heading of Article 2 (commencing with Section 14999) of Chapter 2 of Part 5.7 of Division 3 of Title 2 of, to add Section 7100.1 to, to add Part 6.7 (commencing with Section 15310) to Division 3 of Title 2 of, and to repeal Chapter 5.5 (commencing with Section 8320) of Division 1 of Title 2 of, Part 3.5 (commencing with Section 13890) of Division 3 of Title 2 of, Chapter 1 (commencing with Section 14980) of Part 5.7 of Division 3 of Title 2 of, the heading of Chapter 2 (commencing with Section 14990) of Part 5.7 of Division 3 of Title 2 of, and Article 1 (commencing with Section 14990) of Chapter 2 of Part 5.7 of Division 3 of Title 2 of, the Government Code, relating to economic development, and making an appropriation therefor.

[Approved by Governor August 20, 1977. Filed with Secretary of State August 20, 1977.]

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

SECTION 1. The heading of Part 5.7 (commencing with Section 14980) of Division 3 of Title 2 of the Government Code is amended to read:

PART 5.7. ECONOMIC AND MOTION PICTURE DEVELOPMENT

SEC. 2. Chapter 1 (commencing with Section 14980) of Part 5.7 of Division 3 of Title 2 of the Government Code is repealed.

SEC. 3. The heading of Chapter 2 (commencing with Section 14990) of Part 5.7 of Division 3 of Title 2 of the Government Code is repealed.

SEC. 4. Article 1 (commencing with Section 14990) of Chapter 2 of Part 5.7 of Division 3 of Title 2 of the Government Code is repealed.

SEC. 5. The heading of Article 1.5 (commencing with Section 14998.1) of Chapter 2 of Part 5.7 of Division 3 of Title 2 of the Government Code is amended and renumbered to read:

CHAPTER 1. MOTION PICTURE DEVELOPMENT UNIT

SEC. 6. The heading of Article 2 (commencing with Section 14999) of Chapter 2 of Part 5.7 of Division 3 of Title 2 of the Government Code is amended and renumbered to read:

CHAPTER 2. COMMISSION FOR ECONOMIC DEVELOPMENT

SEC. 7. Part 6.7 (commencing with Section 15310) is added to Division 3 of Title 2 of the Government Code, to read:

PART 6.7. ECONOMIC AND BUSINESS DEVELOPMENT

CHAPTER 1. DEPARTMENT OF ECONOMIC AND BUSINESS DEVELOPMENT

Article 1. General Provisions

15310. It is hereby declared to be the finding of the Legislature that the economic well-being and continuing development of the State of California require affirmative action in the creation of the Department of Economic and Business Development.

This finding is based on the demonstrated need for a state agency to make continuing studies of the proper orderly growth of industry and economic development in this state to balance the need for environmental protection with the need for job opportunities.

This finding is also based on the need to provide information and service for visitors to California. This industry is a major employer, providing employment for large numbers of ethnic minorities and relatively unskilled workers, sectors of the work force that are particularly susceptible to unemployment during adverse economic conditions.

There is also a need for an office to serve as a clearinghouse for state interests in international trade, answering inquiries for foreign business representatives and providing a directory of California businesses and organizations interested in foreign trade.

15311. It is the intent of the Legislature that the Department of Economic and Business Development be the primary state agency responsible for promoting economic development in the state, providing service to visitors to this state and to California and foreign businessmen active in international trade. In creating this agency the primary thrust of promoting and encouraging new industry within the state and the expansion of existing industry shall be carried on by existing private and public agencies.

The department shall not duplicate the work of existing agencies, but shall supplement the work of existing agencies and provide the coordination of state economic development programs and the

preparation and dissemination of the necessary data and supporting studies of the economic potential of various industries necessary for the realization of the full economic potential of the state. Maximum use shall be made of data and analyses prepared by other state agencies.

15312. This part shall be known and may be cited as the "Holmdahl-Rains-Lockyer Economic Development Act of 1977."

Article 2. Administration

15320. There is in state government, in the Business and Transportation Agency, the Department of Economic and Business Development.

15321. The department shall be conducted under the control of an executive officer known as the Director of Economic Development, who shall be appointed by the Governor, subject to confirmation by the Senate, and hold office at the pleasure of the Governor. The director shall receive the same annual salaries provided for the positions in Section 11552 subject to the provisions of Section 11565. The Director of Economic Development shall be a well qualified and experienced practitioner in the field of economic development.

15322. The provisions of Chapter 2 (commencing with Section 11150) of Part 1 of Division 3 of Title 2 shall apply to the department, and the director is the head of the department within the meaning of such provisions.

15323. The director shall:

(a) Perform all duties, exercise all powers, discharge all responsibility, and administer and enforce all laws, rules, and regulations under the jurisdiction of the department.

(b) Keep all books and records necessary for proper and efficient administration of the department.

(c) Serve as the Governor's principal staff advisor on economic development.

15324. The Governor may appoint, upon the recommendation of the director, a deputy director. The deputy director shall hold office at the pleasure of the director and shall receive a salary as shall be fixed by the director with the approval of the Department of Finance.

15325. The work of the department shall be divided into the following five offices:

(a) The Office of Economic Planning, Policy, and Research Development.

(b) The Office of Local Economic Development.

(c) The Office of Business and Industrial Development.

(d) The Office of Visitors Services.

(e) The Office of International Trade.

15326. Each office shall be in the charge of an assistant director under the direction of the director. The assistant directors shall be

appointed, upon recommendation by the director, by the Governor. Such office directors shall hold office at the pleasure of the director, and shall receive a salary as shall be fixed by the director with the approval of the Department of Finance.

Article 3. Powers, Duties, and Functions

15330. The Department of Economic and Business Development shall be the principal state agency responsible for:

(a) Coordinating federal-state-local relationships in economic development, the continual evaluation of the impact of policies and programs affecting economic development, and encouraging the full utilization of programs available for assisting the residents of the state and local public entities in satisfying the economic development needs of the state.

(b) Applying for and allocating federal funds available under the Public Works and Economic Development Act of 1965, as amended, and such other federal funds as may be available which will promote and assist economic development in the state.

(c) Assisting state agencies, offices, and departments to implement the state economic policy pursuant to Part 12 (commencing with Section 15900) of Division 3 of Title 2 and serving as an advisory agency to the Governor in the preparation of the Economic Report of the Governor as required by Section 15901.

(d) Responding to inquiries and providing statistics and other information on the economy, visitor attractions, and international trade, products and processes.

(e) The department in carrying out its responsibilities shall make maximum use of base data and studies currently being prepared and distributed by other state agencies. It shall avoid duplication of these efforts where possible.

15331. The Office of Economic Planning, Policy and Research Development shall perform the following functions and activities:

(a) Gather, analyze, and interpret pertinent information on the economy developed by itself, other governmental and private agencies and publish and disseminate statistics and other information useful to industry, commerce, and agriculture. A fee may be charged for such publications to cover the cost of publication and dissemination.

(b) Provide assistance to other state agencies in the development of information or other pertinent data on the economy and the economic development of the state.

(c) Prepare or sponsor studies on the economic potential of various types of business, commercial, or industrial development in improving the economy of the state, the creation of job opportunities and the effect on resources and environment of the state.

(d) Study, recommend, and report to the Governor and to the Legislature on the impact of governmental policies and regulations and the expected impact of proposed policies and regulations which

do or may unduly restrict beneficial economic development.

(e) Respond to inquiries by persons in industry, business, commerce, or other governmental units concerning the economy and economic conditions in the state.

15332. The Office of Local Economic Development shall perform the following functions and activities:

(a) Provide comprehensive technical assistance to local public agencies and other entities in order to facilitate the planning and implementation of local economic development projects.

(b) Cooperate with state and federal agencies in making grants or loans to individuals, proprietorships, partnerships, profit and nonprofit corporations, or local public agencies for the purpose of establishing or expanding local economic development projects which will increase employment opportunities.

(c) Assist in preparing state and local economic plans for the purpose of coordinating statewide economic development.

15333. The Office of Business and Industrial Development shall perform the following functions and activities:

(a) Represent the Secretary of the Business and Transportation Agency in establishing clear lines of communication with California business.

(b) Advise the secretary on the problems and concerns of the business community, particularly those unique to California's small businesses.

(c) Review recommendations from the business community and advise the secretary on proposals affecting business conditions in California.

(d) Act as liaison between the business community and all departments of state government on issues affecting business development and insure that the findings and recommendations of each department are reported to the Governor.

(e) Cooperate with public and private agencies engaged in promoting and encouraging the location and development of new businesses in the state as well as the maintaining and expanding of existing businesses.

(f) Aid business concerns in their relationships with appropriate federal and state agencies such as procurement and lending agencies and the Small Business Administration.

15334. The Office of Visitors Services shall perform the following functions and activities:

(a) Develop data on numbers of visitors, expenditures by visitors, points of origin and destination, and other relevant information on tourism and visitors.

(b) Provide advice and technical assistance to regional, county and city tourism development organizations and to similar private organizations in planning programs to attract visitors and develop literature for distribution to visitors and potential visitors to this state.

(c) Prepare literature suitable for distribution by the department and by regional, county and city tourism development organizations

to persons requesting such literature. It shall provide information which will enable visitors to contact tourism organizations in areas which they plan to visit.

(d) Prepare material for distribution to other countries through the United States Travel Service.

(e) Assist and submit recommendations to other state departments and agencies in providing facilities and service which will promote and facilitate the travel of visitors throughout the state.

15335. The Office of International Trade shall perform the following functions and services:

(a) Gather, evaluate, interpret, and publish international trade data on California's foreign trade.

(b) Represent the State of California in responding to, and assisting, foreign officials or business representatives and domestic representatives in undertaking appropriate foreign trade development.

(c) Establish liaison with those federal and state agencies and organizations engaged in international trade to assure for California the best possible posture for expanding its international trade economy.

(d) Serve as a clearinghouse, including publishing for a fee, the inquiries received from foreign business persons seeking information on product distribution, sales, trade agreements, manufacturing, licensing, and similar matters.

(e) Publish a directory of prominent businesses and organizations in California's foreign trade, with a product and process guide.

15336. The department may contract with other state or private agencies, universities, firms, or individuals for the performance of technical or specialized work or for services such as econometric models, data bases, and other similar services.

15337. The department shall prepare and submit to the Governor and the Legislature not later than the 60th calendar day of each regular session a report of the activities of the department and recommendations for such legislative or executive actions as may be necessary to promote and enhance economic development in the state. The report shall include information on the effectiveness of the department in carrying out its functions and responsibilities under this chapter. Such information shall be based on specific program performance measures developed by the department in cooperation with the Department of Finance.

Article 4. Advisory Council

15350. An advisory council not to exceed 21 persons shall be created to advise the Director of Economic Development in carrying out the functions of the department. One member of the council shall be appointed by the chairman of the Commission for Economic Development. The other members of the advisory council shall be appointed by the Governor upon the nomination of the director and

shall serve at the pleasure of the Governor. The chairman of the advisory council shall be designated by the Governor from the members appointed by him.

15350.1. If any of the initial members of the council have not been nominated by the director or appointed by the Governor by June 30, 1978, the Senate Rules Committee and the Speaker of the Assembly shall each appoint persons to one-half of the vacancies on the council (with the Senate Rules Committee to make the appointment to any odd-numbered vacancy) and the Governor shall have no authority after June 30, 1978, to appoint any initial member to the council.

15350.2. If the Governor should fail to fill any vacancy on the council within six months of the occurrence of that vacancy on the council, then the Senate Rules Committee and the Speaker of the Assembly shall alternately appoint persons to such vacancies (with the Senate Rules Committee to make the appointment to any odd-numbered vacancy). After the six-month period has elapsed for each vacancy, the Governor shall have no authority to appoint a person to fill that vacancy.

15351. The members of the council, to the extent possible, shall represent the principal economic groups in California including, but not limited to, manufacturing, retailing, agriculture, world trade, tourism, banking and finance, transportation, education, construction, labor and local economic development. The council may include two members representing principal environmental groups.

15352. The council shall act in an advising capacity only and shall have no administrative authority or responsibility and its members shall be reimbursed for their actual and necessary travel expenses in attending meetings. No member shall, by virtue of serving as a member of the council, be deemed to be an officer of the state.

15353. The council shall meet at 10 o'clock in the morning on the first Monday of February, May, August and November in the office of the department in Sacramento, unless the council or the chairman shall set a different time, day or place. The chairman may also call special meetings, setting the day, time and place thereof, on not less than seven days written notice to all members and to the director. Those members present at any regular or duly noticed special meeting shall constitute a quorum to transacting business.

15354. Staff for the council shall be supplied by the department and records of the council shall be maintained by the department.

Article 5. Transfer of Functions

15360. The Economic Development Unit in the Department of Housing and Community Development and all its powers, duties, responsibilities, purposes, and jurisdiction are hereby transferred to the Department of Economic and Business Development and shall become the Office of Local Economic Development.

15361. The Department of Economic and Business Development

shall have the possession and control and may use the unexpended balances of funds, moneys, and appropriations available for use or administered by the Economic Development Unit in the Department of Housing and Community Development. Such funds, moneys, and appropriations shall be used by the department only for the purposes for which they were originally made available to the Economic Development Unit.

15362. The Department of Economic and Business Development shall have the possession and control of all equipment, supplies, records, papers, contracts, and other documents held for the benefit or use of the Economic Development Unit in the Department of Housing and Community Development.

15363. All officers of the Economic Development Unit in the Department of Housing and Community Development who, on the operative date of this section, are serving in the state civil service, other than as temporary employees, and engaged in the performance of a function transferred to or vested in the Department of Economic and Business Development by Section 15360 shall be transferred to the Department of Economic and Business Development. The status, positions, and rights of such persons shall not be affected by the transfer, and shall be retained by them as officers of the Department of Economic and Business Development pursuant to the State Civil Service Act, except as to positions exempt from civil service in the Economic Development Unit.

SEC. 8. Chapter 5.5 (commencing with Section 8320) of Division 1 of Title 2 of the Government Code is repealed.

SEC. 9. Part 3.5 (commencing with Section 13890) of Division 3 of Title 2 of the Government Code is repealed.

SEC. 10. Section 7100 of the Government Code is amended to read:

7100. In implementation of Section 311 of Public Law 88-452, known as the Economic Opportunity Act of 1964, the Director of Housing and Community Development may contract with school districts, housing authorities, health agencies, and other appropriate local public and private nonprofit agencies, for the procurement, or construction of housing or shelter and to obtain services for migratory agricultural workers in the fields of education and sanitation, and to obtain day care services for the children of such workers.

SEC. 11. Section 7100.1 is added to the Government Code, to read:

7100.1. The Director of Housing and Community Development shall have possession and control of all records and papers held previously by the Director of Employment Development relating to the purposes and activities of Section 7100 of this chapter.

SEC. 12. The sum of three hundred thousand dollars ($300,000) is hereby appropriated from the General Fund to the Department of Economic and Business Development for the purposes of Part 6.7

(commencing with Section 15310) of Division 3 of Title 2 of the Government Code.

SEC. 13. Sections 10 and 11 of this act shall become operative on July 1, 1979.

CHAPTER 346

An act to add Section 309.5 to the Elections Code, relating to elections.

[Approved by Governor August 20, 1977. Filed with Secretary of State August 20, 1977.]

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

SECTION 1. Section 309.5 is added to the Elections Code, to read:

309.5. Notwithstanding any other provision of law to the contrary, the fact that a person certifies to his United States citizenship by signing his affidavit of registration shall be deemed evidence of citizenship for voting purposes only.

CHAPTER 347

An act to add Section 1270.1 to the Education Code, relating to education.

[Approved by Governor August 20, 1977. Filed with Secretary of State August 20, 1977.]

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

SECTION 1. Section 1270.1 is added to the Education Code, to read:

1270.1. The county superintendent of schools may allow pupils entitled to attend the public schools under his jurisdiction, but in attendance at a school other than a public school under the provisions of Section 48222, transportation upon the same terms and in the same manner and over the same routes of travel as is permitted pupils attending the public schools.

The authorization of this section shall be restricted to actual transportation when furnished by the county superintendent, and nothing in this section shall be construed to authorize or permit in lieu of transportation payments of money to parents or guardians of children attending private schools.

CHAPTER 348

An act to amend Section 27400 of the Vehicle Code, relating to vehicles.

[Approved by Governor August 20, 1977. Filed with Secretary of State August 20, 1977.]

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

SECTION 1. Section 27400 of the Vehicle Code is amended to read:

27400. No person operating any motor vehicle shall wear any headset covering, or any earplugs in, both ears. The provisions of this section shall not apply to:

(a) Law enforcement personnel when on duty.

(b) Any person engaged in the operation of either special construction equipment or equipment for use in the maintenance of any highway.

(c) Any person engaged in the operation of refuse collection equipment who is wearing a safety headset or safety earplugs.

CHAPTER 349

An act to amend Section 7332.5 of the Business and Professions Code, relating to cosmetology.

[Approved by Governor August 20, 1977. Filed with Secretary of State August 20, 1977.]

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

SECTION 1. Section 7332.5 of the Business and Professions Code is amended to read:

7332.5. The board shall admit to examination for a certificate of registration and license as a cosmetology instructor any person who has made application to the board in proper form, has paid the fee required by this chapter, and is qualified as follows:

(a) Has had at least 600 hours of teacher training in an approved school in this state or equivalent training in another state, or one years practical experience within the past three years in all branches of cosmetology, except the branch of electrology, in a licensed cosmetological establishment in this state or equivalent experience in another state.

(b) Is of good moral character and temperate habits.

(c) Holds a valid California license as a cosmetologist.

An applicant shall submit an affidavit signed by his employers attesting to his experience.

The board shall admit to the examination any applicant who has

applied in proper form, has paid the required fee, is qualified pursuant to subdivisions (b) and (c) of this section, and prior to the effective date of the amendments made to this section by the 1971 Regular Session of the Legislature had at least 600 hours of teacher training in an approved school in this state or equivalent training in another state, or one year of practical experience in all branches of cosmetology, except the branch of electrology, in a licensed cosmetological establishment in this state or equivalent experience in another state.

CHAPTER 350

An act to amend Section 18752.6 of the Business and Professions Code, relating to karate matches and contests.

[Approved by Governor August 20, 1977. Filed with Secretary of State August 20, 1977.]

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

SECTION 1. Section 18752.6 of the Business and Professions Code is amended to read:

18752.6. (a) The commission shall by rule and regulation regulate professional and amateur full-contact karate matches and contests, which shall be fought on the basis of the best effort of the contestants.

(b) Professional and amateur full-contact karate exhibitions shall be governed by provisions in Article 7.5 (commencing with Section 18755) of this chapter, relating to wrestling exhibitions, except that in such case, regulations therein shall apply to "professional and amateur full-contact karate exhibitions" rather than "wrestling exhibitions."

(c) The commission shall by rule and regulation prescribe the length or duration of professional and amateur full-contact karate matches and contests, the manner in which the contestants or participants shall engage in such matches and contests, and such further safeguards and conditions as shall insure fair, sportsmanlike, and scientific professional and amateur full-contact karate contests and matches.

The commission shall approve all protective gear. No professional or amateur full-contact karate match, contest, or exhibition shall be conducted unless each participant uses approved protective gear on the hands and feet of the participant. Matches shall not exceed nine two-minute rounds with a one-minute rest period between each round; however, the commission may permit an extension of two rounds of the maximum length for the purpose of championship events.

(d) No person under the age of 18 years shall participate in any professional or amateur full-contact karate exhibition, match, or

contest, except that any person of the age of 16 years or over, who is registered in amateur full-contact karate in this state, may participate in amateur full-contact karate contests or matches conducted in this state. Every contestant in amateur full-contact karate contest or sparring match under the age of 18 years shall wear an approved protective headgear.

(e) Any professional or amateur full-contact karate contest conforming to the rules, regulations, and requirements of this chapter is deemed a professional or amateur full-contact karate contest and not a prizefight.

(f) The licensed promoter shall be the real party in interest and shall receive at least 25 percent of the net receipts of any contest to qualify as the real party in interest. Upon a finding by the commission that the licensed promoter is not the real party in interest for such an event the commission may revoke the promoters license.

(g) The commission shall not function as a sanctioning body nor shall it grant titles to fighters or to individual events. This function shall be retained by such full-contact karate amateur or professional associations operating on a local, statewide, regional, national or international level who shall, when operating in California, observe such rules and regulations as have been set forth by the commission. The commission may seek counsel from the advisory committee as to the validity of any association wishing to grant state titles in order to protect the public from advertising misrepresentations.

(h) While full-contact karate, wrestling, and boxing are all fighting sports subject to licensing in California, the Legislature recognizes that full-contact karate is an entirely separate sport.

It is the intent of the Legislature that persons or clubs who possess boxing promoters licenses and wrestling promoters licenses should, to the fullest extent possible, subject to their contractual obligations with respect to the conduct of boxing or wrestling matches, contests or other legitimate rentals, for sports or other events, make their premises available for lease or rental by persons or clubs holding professional or amateur full-contact karate promoters licenses for the conduct of professional or amateur full-contact karate programs.

CHAPTER 351

An act to amend Section 7332.6 of the Business and Professions Code, relating to cosmetology.

[Approved by Governor August 20, 1977. Filed with Secretary of State August 20, 1977.]

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

SECTION 1. Section 7332.6 of the Business and Professions Code is amended to read:

7332.6. Notwithstanding any other provision of law, any person currently and validly licensed in this state as a cosmetologist who has made application to the board in proper form, has paid the fee required by this chapter, and is of good moral character and temperate habits shall be granted a provisional license as a cosmetology instructor.

The provisional license shall authorize the holder thereof to practice the occupation of a cosmetology instructor in a licensed school of cosmetology on the basis of not more than one provisional licensed instructor for each licensed cosmetology instructor employed full time by such school.

Every provisional license as a cosmetology instructor shall expire one year from the date of issue and shall not be renewable.

Any person issued a provisional license as a cosmetology instructor who, within a period of not more than six months immediately following the date of expiration thereof, has made application to the board in proper form, accompanied by proof satisfactory to the board of having practiced the occupation of a cosmetology instructor for a period of not less than 10 months full time or its equivalent in a licensed school, has paid the fee required by the chapter and is of good moral character and temperate habits shall be admitted to examination for a license as a cosmetology instructor.

CHAPTER 352

An act to amend Sections 8352.6 and 8352.7 of the Revenue and Taxation Code, relating to off-highway motor vehicles, and making an appropriation therefor.

[Approved by Governor August 20, 1977. Filed with Secretary of State August 20, 1977.]

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

SECTION 1. Section 8352.6 of the Revenue and Taxation Code is amended to read:

8352.6. (a) Subject to the provisions of Sections 8352 and 8352.1, on the first day of every month, there shall be transferred from money deposited in the Motor Vehicle Fuel Account to the Off-Highway Vehicle Fund created by Section 38225 of the Vehicle Code an amount determined on the basis of the estimate contained in the most recent report prepared pursuant to this section.

(b) The amount transferred pursuant to subdivision (a) represents the portion of receipts in the Motor Vehicle Fuel Account that is attributable to taxes imposed upon distributions of motor vehicle fuel used in the off-highway operation of vehicles subject to identification

under Division 16.5 (commencing with Section 38000) of the Vehicle Code for which a refund has not been claimed. Transfers made pursuant to this section shall be made prior to transfers pursuant to Section 8352.2.

(c) On or before August 15, 1973, and every two years thereafter, the Department of Transportation shall prepare, or cause to be prepared, in cooperation with the Department of Parks and Recreation, a report setting forth the current estimate of the amount of money credited to the Motor Vehicle Fuel Account that is attributable to taxes imposed on distributions of motor vehicle fuel used in the off-highway operation of vehicles subject to identification under Division 16.5 (commencing with Section 38000) of the Vehicle Code for which a refund has not been claimed and shall submit a copy of such report to the Legislature.

SEC. 2. Section 8352.7 of the Revenue and Taxation Code is amended to read:

8352.7. (a) Subject to the provisions of Section 8352 and 8352.1, on the first day of every month, there shall be transferred from money deposited to the credit of the Motor Vehicle Fuel Account to the Off-Highway Vehicle Fund created by Section 38225 of the Vehicle Code an amount determined on the basis of the estimate contained in the most recent report prepared pursuant to this section.

(b) The amount transferred pursuant to subdivision (a) represents the money deposited to the credit of the Motor Vehicle Fuel Account that is attributable to taxes imposed upon distributions of motor vehicle fuel used in motor vehicles subject to registration under Division 3 (commencing with Section 4000) of the Vehicle Code, while engaged in off-highway recreational use, for which a refund has not been claimed, or for which no person is entitled to a refund. Transfers made pursuant to this section shall be made prior to transfers pursuant to Section 8352.2.

(c) On or before August 15, 1975, and every two years thereafter, the Department of Transportation shall prepare, or cause to be prepared, in cooperation with the Department of Parks and Recreation, a report, a copy of which shall be submitted to the Legislature, setting forth the current estimate of the amount of money credited to the Motor Vehicle Fuel Account that is attributable to taxes imposed on distributions of motor vehicle fuel used in motor vehicles subject to registration under Division 3 (commencing with Section 4000) of the Vehicle Code, while engaged in off-highway recreational use, and for which a refund has not been claimed, or for which no person is entitled to a refund.

(d) It is the intent of the Legislature that the off-highway recreational use, to be determined by the Department of Transportation pursuant to this section, be that usage by vehicles subject to registration under Division 3 (commencing with Section 4000) of the Vehicle Code, for recreation or the pursuit of recreation on surfaces where the use of vehicles registered under Division 16.5 (commencing with Section 38000) of the Vehicle Code may occur.

CHAPTER 353

An act to amend Sections 331, 332, 1002, 1053, 3242, 3300, and 8461 of the Fish and Game Code, relating to fish and game, and making an appropriation therefor.

[Approved by Governor August 20, 1977. Filed with Secretary of State August 20, 1977.]

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

SECTION 1. Section 331 of the Fish and Game Code is amended to read:

331. The commission may determine and fix the area or areas, the seasons and hours, the bag and possession limit, and the sex and total number of antelope (Antilocapra americana) that may be taken under such regulations as the commission may prescribe from time to time. Only a resident of the State of California possessing a valid hunting license and over the age of 16 years, who has not taken an antelope under these provisions during the 10 years immediately preceding, may obtain a license for the taking of antelope. Only one license may be issued to any one individual in any 10-year period.

The fee for the license may be determined by the commission, but shall not exceed one hundred dollars ($100). The fee shall be deposited in the Fish and Game Preservation Fund and shall be expended, in addition to money budgeted for salaries of persons in the department, for the expense of enforcing the provisions of this section and the processing of applications.

SEC. 2. Section 332 of the Fish and Game Code is amended to read:

332. The commission may determine and fix the area or areas, the seasons and hours, the bag and possession limit, and the number of elk that may be taken under such rules and regulations as the commission may prescribe from time to time. The commission may not authorize the taking of tule elk until the total statewide population of such mammals exceeds 2,000, or it is hereafter determined by the Legislature, pursuant to the reports required by Section 3951, that suitable areas cannot be found in California to accommodate such a population in a healthy condition. Only a resident of the State of California over the age of 16 years and possessing a valid hunting license may obtain a license for the taking of elk.

The fee for the license may be determined by the commission but not to exceed one hundred dollars ($100). The fees shall be deposited in the Fish and Game Preservation Fund and shall be expended in addition to money budgeted for salaries of the department, for the expense of enforcing the provisions of this section and the processing of the applications.

SEC. 3. Section 1002 of the Fish and Game Code is amended to read:

1002. The department may issue permits, subject to such restrictions and regulations as the commission deems desirable, to take or possess, in any part of the state, for scientific, educational or propagation purposes, mammals, birds and the nests and eggs thereof, fish, amphibia, reptiles, or any other form of plant or animal life.

The fee for such permits is ten dollars ($10) per year, except that a permit without fee may be issued: (a) authorizing only the banding of birds and the exhibition of live or dead wildlife specimens by public zoological gardens, scientific or educational institutions; (b) to students regularly enrolled in commercial fishing classes in a school operating under the jurisdiction of the State Board of Education or in such classes in a community college and to faculty members of such schools or a community college when conducting regularly enrolled classes in commercial fishing. Any permit issued under this subdivision shall apply only when such students are under the direct supervision of the instructor approved by the school or community college to teach such class. All fish taken shall be taken in accordance with state law except that the provisions of Sections 7850 and 7880 to 7890, inclusive, shall not apply to persons or equipment operating under the provisions of this subdivision. All fish taken under authority of a permit issued under this subdivision may be sold only to a person licensed pursuant to Section 8040 or donated to a charitable institution. All funds received from the sale of such fish must be used solely for the support of the commercial fishing classes.

A special student permit may be issued pursuant to this section, on the payment of an annual fee of five dollars ($5), to any student in a school of collegiate level who is required by an instructor in wildlife research in such school to collect specimens used in laboratory work in the school under supervision and in connection with a course in wildlife research or in the conduct of wildlife investigations and studies on behalf of the public.

The license year for permits issued pursuant to this section is the calendar year or any part thereof. It is not necessary for the possessor of such a permit to have a sport fishing or hunting license to pursue the scientific collecting of any fish, reptile, aquatic animal or plant, bird, or mammal in this state.

Nothing in this section authorizes any act which violates Section 597 of the Penal Code.

Such a permit does not authorize the taking of fish or mammals from the ocean waters of this state which are within the boundaries of any city if the city has filed with the department an objection to such taking.

SEC. 4. Section 1053 of the Fish and Game Code is amended to read:

1053. Not more than one license or license tag of the same class shall be issued to or purchased by a person for the same license year, except upon:

1. The expiration of the license.

2. The filing of an affidavit showing the loss or destruction of an unexpired license or license tag previously issued and payment of the full fee.

3. The filing of an affidavit showing the loss or destruction of an unexpired commercial fishing license or packing and processing license and payment of a fee of five dollars ($5).

4. The filing of an affidavit showing the loss or destruction of an unexpired sport fishing or hunting license, and payment of a fee of two dollars ($2). Duplicate sport fishing or hunting licenses issued pursuant to this subdivision shall be issued only by the department.

Except with respect to the affidavit required under subdivision 4, any person authorized by the department to issue licenses may administer the oath for purposes of the affidavit without any fee. The affidavit required under subdivision 4 shall be acknowledged before a notary public. Each of the affidavits provided for under subdivisions 2, 3, and 4 shall be filed with the department at the times and in the manner prescribed by the department.

SEC. 5. Section 3242 of the Fish and Game Code is amended to read:

3242. A commercial hunting club license shall be issued to any person upon the payment of one hundred dollars ($100).

SEC. 6. Section 3300 of the Fish and Game Code is amended to read:

3300. It is unlawful for any person to engage in the raising and releasing, or the releasing, of domesticated migratory game birds for shooting by persons who pay for such privilege, unless the person has a revocable nontransferrable license issued by the department. Such licenses may be issued annually by the department and shall be valid from July 1 through the following June 30. The license fee is fifty dollars ($50).

Any bird of a species included in the definition of migratory game birds, as defined in Section 3500, which has been held live in captivity is a "domesticated migratory game bird" for purposes of this section, except such a bird that has been released from captivity and any control before attaining six weeks of age.

SEC. 7. Section 8461 of the Fish and Game Code is amended to read:

8461. The annual license fee for a live freshwater bait fish license is twenty-five dollars ($25) for each person.

CHAPTER 354

An act to add Section 34.8 to the Civil Code, relating to minors.

[Approved by Governor August 20, 1977. Filed with Secretary of State August 20, 1977.]

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

SECTION 1. Section 34.8 is added to the Civil Code, to read:

34.8. Notwithstanding any other provision of law, a minor 12 years of age or older, who is alleged to have been raped, may give consent to the furnishing of hospital, medical, and surgical care related to the diagnosis or treatment of such condition, and the collection of medical evidence with regard thereto. Such consent shall not be subject to disaffirmance because of minority. The consent of the parent, parents, or legal guardian of such minor shall not be necessary to authorize such diagnosis, treatment, or collection of evidence.

CHAPTER 355

An act to amend Sections 23919 and 23921 of, and to add Sections 1300 and 23923 to, the Education Code, and to amend Sections 35046 and 72426 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, relating to the State Teachers' Retirement Law and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 20, 1977. Filed with Secretary of State August 20, 1977.]

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

SECTION 1. Section 1300 is added to the Education Code, to read:

1300. (a) A county superintendent of schools may award consultancy contracts to retired certificated employees of the county superintendent of schools or a school district or community college district of the county who were employed by the county superintendent of schools or a school district or community college district of the county for at least 10 years and who are at least 55 years of age.

(b) A county superintendent of schools may enter into a contract with a retired certificated employee who has been employed by the county superintendent of schools or a school district or community college district of the county at least 10 years and who is at least 55 years of age whereby the retired employee is granted a consultancy contract with the county superintendent of schools, which contract is renewable on an annual basis for up to five years or until the retired employee reaches age 65, whichever comes first.

(c) Persons hired by a consultancy contract as authorized by this section are considered employees and are subject to the earnings limitation provided in Section 23919.

SEC. 2. Section 23919 as proposed by the 1977 Education Code Supplemental Act is amended to read:

23919. Any retirant who is retired for service may be employed by a school district or other employing agency, except as provided in

Sections 45134 and 88033, for not more than 120 days or earn more than five thousand dollars ($5,000), whichever occurs first, unless the retirant has skills needed in performing specialized work of limited duration provided that such service does not exceed a total earnings of five thousand dollars ($5,000) in any one fiscal year and the rate of pay for such employment shall not be less than the minimum, nor exceed that paid by the employer to other employees performing comparable duties. The employment does not operate to reinstate the retirant as a member of this system, or to terminate or suspend his retirement allowance, and no deduction shall be made from his salary as contributions to this system. The retirant may be reemployed only if able to pass a physical examination prescribed by the State Board of Education.

At the end of each month in which a retirant performed service for a school district or other employing agency, the employer or other authorized agency shall report to the system the retirant's name, social security number and salary regardless of the fund from which the payment was made.

A certificate from a physician or surgeon licensed under Chapter 5 (commencing with Section 2000) of Division 2 of the Business and Professions Code showing that he has submitted to and passed a physical examination within the immediately preceding 12-month period and filed with the county superintendent, or, in the case of a retirant to be employed as a substitute in a position requiring certification qualifications at the California School for the Deaf or the California School for the Blind, filed with the State Department of Education, shall be conclusive evidence of his passing the physical examination required by this section.

SEC. 3. Section 23921 as proposed by the 1977 Education Code Supplemental Act is amended to read:

23921. Effective July 1, 1972, a retirant receiving a disability retirement which was effective prior to July 1, 1972, may be employed by a school district or other employing agency for not more than 120 days or earn more than five thousand dollars ($5,000), whichever occurs first, unless the retirant has skills needed in performing specialized work of limited duration provided that such service does not exceed a total earnings of five thousand dollars ($5,000) in any one fiscal year and the rate of pay for such employment shall not be less than the minimum, nor exceed that paid by the employer to other employees performing comparable duties. The employment does not operate to terminate or suspend his disability retirement allowance except as provided in Sections 23906 and 23908 and no deductions shall be made from his salary as contributions to this system.

SEC. 4. Section 23923 is added to the Education Code, to read:

23923. Retirants who earn more than the amounts allowed in Sections 23919 or 23921 shall be reinstated to membership in the system as follows:

(a) A retirant in the first year of retirement and otherwise

ineligible for reinstatement shall be reinstated automatically to membership one year after the effective date of retirement; however, the retirement allowance shall be terminated on the first day of the month following the month in which earnings under Section 23919 or 23921 exceeded the allowable amount.

(b) A retirant in the second or subsequent year of retirement shall be reinstated automatically to membership on the first day of the month following the month in which earnings under Section 23919 or 23921 exceeded the allowable amounts.

SEC. 5. Section 35046 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

35046. (a) The governing board of a school district may award consultancy contracts to retired certificated employees of the school district or of the county superintendent of schools who have been employed by the school district or by the county superintendent of schools for at least 10 years and who are at least 55 years of age.

(b) The governing board of a school district may enter into a contract with a retired certificated employee who has been employed by the school district or by the county superintendent of schools at least 10 years and who is at least 55 years of age whereby the retired employee is granted a consultancy contract with the school district, which contract is renewable on an annual basis for up to five years or until the retired employee reaches age 65, whichever comes first.

(c) Persons hired by a consultancy contract as authorized by this section are considered employees and are subject to the earnings limitation provided in Section 23919.

SEC. 6. Section 72426 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

72426. (a) The governing board of a community college district may award consultancy contracts to retired certificated employees of the community college district or of the county superintendent of schools who have been employed by the community college district or by the county superintendent of schools for at least 10 years and who are at least 55 years of age.

(b) The governing board of a community college district may enter into a contract with a retired certificated employee who has been employed by the community college district or by the county superintendent of schools at least 10 years and who is at least 55 years of age whereby the retired employee is granted a consultancy contract with the community college district, which contract is renewable on an annual basis for up to five years or until the retired employee reaches age 65, whichever comes first.

(c) Persons hired by a consultancy contract as authorized by this section are considered employees and are subject to the earnings limitation provided in Section 23919.

SEC. 7. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into

immediate effect. The facts constituting such necessity are:

In order to ensure that retirants of the State Teachers' Retirement System are truly retired from certificated or other employment in a school district or other employing agency which is subject to the State Teachers' Retirement Law and that any authorized employment after retirement be limited to part-time and substitute service as clearly intended by original enabling legislation, this act must take effect immediately.

CHAPTER 356

An act making an appropriation to pay the claim of the Otay Municipal Water District.

[Approved by Governor August 20, 1977. Filed with Secretary of State August 20, 1977.]

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

SECTION 1. The sum of two hundred thirty-eight thousand two hundred fifty-six dollars ($238,256), or so much thereof as is necessary, is hereby appropriated from the General Fund for disbursement, without regard to fiscal years, by the State Board of Control to the Otay Municipal Water District in reimbursement and satisfaction of the district's costs of debt service in connection with general obligation bonds issued by the district for the completion of a water system on Otay Mesa.

CHAPTER 357

An act to amend Section 31520.1 of the Government Code, relating to the County Employees Retirement Law of 1937.

[Approved by Governor August 20, 1977. Filed with Secretary of State August 20, 1977.]

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

SECTION 1. Section 31520.1 of the Government Code is amended to read:

31520.1. In any county subject to the provisions of Articles 6.8 (commencing with Section 31639) and 7.5 (commencing with Section 31662.2), the board of retirement shall consist of nine members and one alternate, one of whom shall be the county treasurer. The second and third members of the board shall be members of the association, other than safety members, elected by such members within 30 days after the retirement system becomes

operative in a manner determined by the board of supervisors. The fourth, fifth, sixth, and ninth members shall be qualified electors of the county who are not connected with the county government in any capacity, except one may be a supervisor, and shall be appointed by the board of supervisors. A supervisor appointed as a member of the retirement board shall not serve beyond his term of office as supervisor. The seventh member shall be a safety member of the association elected by the safety members. The eighth member shall be a retired member elected by the retired members of the association in a manner to be determined by the board of supervisors. The alternate member shall be that candidate, if any, for the seventh member from the group under Section 31470.2 or 31470.4, which is not represented by a board member who received the highest number of votes of all candidates in that group. If there is no such candidate there shall be no alternate member. The first person chosen as the second and fourth members shall serve for a term of two years beginning with the date the system becomes operative, the third and fifth members shall serve for a term of three years beginning with that date, and the sixth, seventh and alternate members shall serve for a term of two years beginning January 1, 1952, or the date on which a retirement system established by this chapter becomes operative, whichever is the later. The eighth and ninth members shall take office as soon as practicable for an initial term to expire concurrent with the expiration of the longest remaining term of an elected member. Thereafter the terms of office of the elected and appointed members and alternate are three years.

The alternate member provided for by this section shall vote as a member of the board only in the event the second, third, seventh, or eighth member is absent from a board meeting for any cause, or if there is a vacancy with respect to the second, third, seventh, or eighth member, the alternate member shall fill such vacancy until a successor qualifies. The alternate shall sit on the board in place of the seventh member when a member of the same service is before the board for determination of his retirement.

The amendments to this section during the 1972 Regular Session shall not be construed to affect the continuation on the board of retired members appointed by board of supervisors until the expiration of the term for which they were appointed.

CHAPTER 358

An act to amend Section 1203.2 of the Penal Code, relating to probation.

[Approved by Governor August 20, 1977. Filed with Secretary of State August 20, 1977.]

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

SECTION 1. Section 1203.2 of the Penal Code is amended to read:

1203.2. (a) At any time during the probationary period of a person released on probation under the care of a probation officer pursuant to this chapter, any probation or peace officer may, without warrant or other process and at any time until the final disposition of the case, rearrest the person and bring him before the court or the court may, in its discretion, issue a warrant for his rearrest. Upon such rearrest, or upon the issuance of a warrant for rearrest the court may revoke and terminate such probation if the interests of justice so require and the court, in its judgment, has reason to believe from the report of the probation officer or otherwise that the person has violated any of the conditions of his probation, has become abandoned to improper associates or a vicious life, or has subsequently committed other offenses, regardless whether he has been prosecuted for such offenses. Such revocation, summary or otherwise, shall serve to toll the running of the probationary period.

(b) Upon its own motion or upon the petition of the probationer or the district attorney of the county in which the probationer is supervised, the court may modify, revoke, or terminate the probation of the probationer pursuant to this subdivision. The court shall give notice of its motion, and the district attorney shall give notice of his petition to the probationer, his attorney of record, and the probation officer; the probationer shall give notice of his petition to the probation officer; and notice of any such motion or petition shall be given to the district attorney in all cases. The court shall refer its motion or the petition to the probation officer. After the receipt of a written report from the probation officer, the court shall read and consider the report and either its motion or the petition and may modify, revoke, or terminate the probation of the probationer upon the grounds set forth in subdivision (a) if the interests of justice so require.

The notice required by this subdivision may be given to the probationer upon his first court appearance in such proceeding. Upon the agreement by the probationer in writing to the specific terms of a modification or termination of a specific term of probation, any requirement that the probationer make a personal appearance in court for the purpose of such modification or termination shall be waived. Prior to such modification or termination and waiver of appearance, the probationer shall be informed of his right to consult with counsel, and if indigent the right to secure court appointed counsel. If the probationer waives his right to counsel a written waiver shall be required. If probationer consults with counsel and thereafter agrees to a modification or termination of the term of probation and waiver of personal appearance, such agreement shall be signed by counsel showing approval for such modification or termination and waiver.

(c) Upon any revocation and termination of probation the court may, if the sentence has been suspended, pronounce judgment for any time within the longest period for which the person might have

been sentenced. However, if the judgment has been pronounced and the execution thereof has been suspended, the court may revoke such suspension and order that the judgment shall be in full force and effect. In either case, the person shall be delivered over to the proper officer to serve his sentence, less any credits herein provided for.

(d) In any case of revocation and termination of probation, including, but not limited to, cases in which the judgment has been pronounced and the execution thereof has been suspended, upon such revocation and termination, the court may, in lieu of any other sentence, commit the person to the Department of the Youth Authority if he is otherwise eligible for such commitment.

(e) If probation has been revoked before the judgment has been pronounced, the order revoking probation may be set aside for good cause upon motion made before pronouncement of judgment. If probation has been revoked after the judgment has been pronounced, the judgment and the order which revoked the probation may be set aside for good cause within 30 days after the court has notice that the execution of the sentence has commenced. If an order setting aside the judgment, the revocation of probation, or both is made after the expiration of the probationary period, the court may again place the person on probation for such period and with such terms and conditions as it could have done immediately following conviction.

CHAPTER 359

An act to add Article 8.5 (commencing with Section 423) to Chapter 2 of Division 1 of the Health and Safety Code, relating to health.

[Approved by Governor August 20, 1977. Filed with Secretary of State August 20, 1977.]

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

SECTION 1. Article 8.5 (commencing with Section 423) is added to Chapter 2 of Division 1 of the Health and Safety Code, to read:

Article 8.5. High Blood Pressure Control

423. The Legislature finds and declares that high blood pressure, also known as hypertension, is a widespread and serious public health problem in California. This condition, when untreated, is a major contributor to heart disease, stroke, kidney disease, and related cardiovascular morbidity and mortality. Although high blood pressure can be effectively controlled through the use of now well established antihypertensive drugs, such treatment is not always adequately utilized.

It is estimated that there are two million adults in California who have high blood pressure. It is further estimated, based on national data, that no more than 71 percent of all adult Californians with high blood pressure are aware of their condition, and that of those who are aware, only 40 percent are being effectively treated. Thus, of some two million California adults with high blood pressure, only about 568,000 have their condition adequately controlled. Unless the problem of uncontrolled high blood pressure among some 1,432,000 adults is promptly addressed, many of these individuals will experience preventable serious illness, disability and death. In addition, the state will continue to face unnecessary medical and welfare costs resulting from high blood pressure and its resulting effects. Consequently, it is necessary to provide for expanded statewide efforts, interface with relevant federal legislation, establish and maintain appropriate guidelines, and enhance high blood pressure control activities at the community level. Coordination of local and state efforts in the planning, implementation, and evaluation of high blood pressure control activities is required, in order to improve allocations and utilization of resources to control high blood pressure in the states population.

423.1. The State Department of Health shall conduct a program for the control of high blood pressure. The program shall include, but not be limited to, the following:

(a) Support of local community high blood pressure control programs to improve the quality and distribution of high blood pressure control services.

(b) Promotion of consumer participation in high blood pressure control efforts.

(c) Statewide coordination of high blood pressure control activities.

(d) Planning, including development, adoption, periodic review and revision of a state plan for high blood pressure control; and assistance to local agencies in their planning efforts.

(e) Gathering, analysis, and dissemination of epidemiologic data and information on high blood pressure and its resulting effects, and support of high blood pressure research.

(f) Development and maintenance of a clearinghouse for high blood pressure information, materials and services.

(g) Promotion of local and regional councils on high blood pressure control.

(h) Evaluation of high blood pressure control efforts.

(i) Education of patients, health professionals, and the general public.

423.2. Local community high blood pressure control programs may include, in the following priority, any or all of the following program components:

(a) Screening.

(b) Detection.

(c) Referral and followup.

(d) Diagnostic evaluation.
(e) Adherence management.
(f) Dropout retrieval.
(g) Patient education.
(h) Public education.
(i) Provider education.
(j) Such other components consistent with applicable federal program requirements as the state department may deem desirable in controlling high blood pressure and which are reflected in the state plan for high blood pressure control.

423.3. The state department may enter into contracts with local public and private nonprofit agencies for the purpose of operating community high blood pressure control programs.

423.4. The state department shall establish standards for applications for funding, review of proposals, funding awards, technical assistance, monitoring, and evaluation of local programs as it may deem necessary for the implementation of this article.

423.5. No services provided pursuant to this article shall substitute for other obligations of a unit of local government, including those required by state law.

Funds appropriated to carry out the purposes of this article shall be supplemental to those available from the federal government and shall not duplicate, nor shall they replace, any commitments made by the federal government to support high blood pressure control, including any formula allocations for which California would be eligible whether or not this article is enacted into law.

423.6. Local community high blood pressure control programs funded pursuant to this article shall make maximum use of third party payments and other local resources to support their efforts.

423.7. The state department may receive and expend funds for high blood pressure control pursuant to this article from federal and other available sources and may use such funds, along with available state funds, to support a unified high blood pressure control program.

423.8. The Auditor General shall evaluate the high blood pressure control program conducted under this article after 18 months of operation.

423.9. It is the intent of the Legislature that the department shall utilize available federal funds for carrying out the purposes of this article.

CHAPTER 360

An act to amend Section 5500.5 of the Labor Code, relating to workers' compensation insurance.

[Approved by Governor August 20, 1977. Filed with Secretary of State August 20, 1977.]

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

SECTION 1. Section 5500.5 of the Labor Code is amended to read:

5500.5. (a) Except as otherwise provided in Section 5500.6, liability for occupational disease or cumulative injury claims filed or asserted on or after January 1, 1978, shall be limited to those employers who employed the employee during a period of four years immediately preceding either the date of injury, as determined pursuant to Section 5412, or the last date on which the employee was employed in an occupation exposing him to the hazards of such occupational disease or cumulative injury, whichever occurs first. Commencing January 1, 1979, and thereafter on the first day of January for each of the next two years, the liability period for occupational disease or cumulative injury shall be decreased by one year so that liability is limited in the following manner:

For claims filed or asserted on or after:	The period shall be:
January 1, 1979	three years
January 1, 1980	two years
January 1, 1981 and thereafter	one year

In the event that none of the employers during the above referenced periods of occupational disease or cumulative injury are insured for workers' compensation coverage or an approved alternative thereof, liability shall be imposed upon the last year of employment exposing the employee to the hazards of such occupational disease or cumulative injury for which an employer is insured for workers' compensation coverage or an approved alternative thereof.

Any employer held liable for workers' compensation benefits as a result of another employer's failure to secure the payment of compensation as required by this division shall be entitled to reimbursement from the employers who were unlawfully uninsured during the last year of the employee's employment, and shall be subrogated to the rights granted to the employee against the unlawfully uninsured employers under the provisions of Article 1 (commencing with Section 3700) of Chapter 4 of Part 1 of Division 4 of the Labor Code.

If, based upon all the evidence presented, the appeals board or referee finds the existence of cumulative injury or occupational disease, liability for such cumulative injury or occupational disease shall not be apportioned to prior or subsequent years; however, in determining such liability, evidence of disability due to specific injury, disability due to nonindustrial causes, or disability previously compensated for by way of a findings and award or order approving compromise and release, or a voluntary payment of disability, may be admissible for purposes of apportionment.

(b) Where a claim for compensation benefits is made on account

of an occupational disease or cumulative injury which may have arisen out of more than one employment, the application shall state the names and addresses of all employers liable under subdivision (a), the places of employment, and the approximate periods of employment where the employee was exposed to the hazards of the occupational disease or cumulative injury. If the application is not so prepared or omits necessary and proper employers, any interested party, at or prior to the first hearing, may request the appeals board to join as defendant any necessary or proper party. If such request is made prior to the first hearing on the application, the appeals board shall forthwith join the employer as a party defendant and cause a copy of the application together with a notice of the time and place of hearing to be served upon such omitted employer; provided, such notice can be given within the time specified in this division. If such notice cannot be timely given or if the motion for joinder is made at the time of the first hearing, then the appeals board or referee before whom the hearing is held, if it is found that the omitted employer named is a necessary or proper party, may order a joinder of such party and continue the hearing so that proper notice may be given to the party or parties so joined. Only one continuance shall be allowed for the purpose of joining additional parties. Subsequent to the first hearing the appeals board shall join as a party defendant any additional employer when it appears that such employer is a proper party, but the liability of such employer shall not be determined until supplemental proceedings are instituted.

(c) In any case involving a claim of occupational disease or cumulative injury occurring as a result of more than one employment within the appropriate time period set forth in subdivision (a), the employee making the claim, or his dependents, may elect to proceed against any one or more of such employers. Where such an election is made, the employee must successfully prove his claim against any one of the employers named, and any award which the appeals board shall issue awarding compensation benefits shall be a joint and several award as against any two or more employers who may be held liable for compensation benefits. If, during the pendency of any claim wherein the employee or his dependents has made an election to proceed against one or more employers, it should appear that there is another proper party not yet joined, such additional party shall be joined as a defendant by the appeals board on the motion of any party in interest, but the liability of such employer shall not be determined until supplemental proceedings are instituted. Any employer joined as a defendant subsequent to the first hearing or subsequent to the election provided herein shall not be entitled to participate in any of the proceedings prior to the appeal board's final decision, nor to any continuance or further proceedings, but may be permitted to ascertain from the employee or his dependents such information as will enable the employer to determine the time, place, and duration of the alleged employment. On supplemental proceedings, however,

the right of the employer to full and complete examination or cross-examination shall not be restricted.

(d) (1) In the event a self-insured employer which owns and operates a work location in the State of California, sells or has sold the ownership and operation of such work location pursuant to a sale of a business or all or part of the assets of a business to another self-insured person or entity after January 1, 1974, but before January 1, 1978, and all the requirements of clauses (i) to (iv), inclusive, exist, then the liability of the employer-seller and employer-buyer, respectively, for cumulative injuries suffered by employees employed at such work location immediately before such sale shall, until January 1, 1986, be governed by the provisions of this section which were in effect on the date of such sale.

(i) The sale constitutes a material change in ownership of such work location.

(ii) The person or entity making the purchase continues the operation of the work location.

(iii) Such person or entity becomes the employer of substantially all of the employees of the employer-seller.

(iv) The agreement of sale makes no special provision for the allocation of liabilities for workers' compensation between the buyer and the seller.

(2) For purposes of this subdivision:

(i) "Work location" shall mean any fixed place of business, office, or plant where employees regularly work in the trade or business of the employer.

(ii) A "material change in ownership" shall mean a change in ownership whereby the employer-seller does not retain, directly or indirectly, through one or more corporate entities, associations, trusts, partnerships, joint ventures, or family members, a controlling interest in the work location.

(3) This subdivision shall have no force or effect on or after January 1, 1986, unless otherwise extended by the Legislature prior to that date, and it shall not have any force or effect as respects an employee who, subsequent to such sale described in paragraph (1) and prior to the date of his or her application for compensation benefits has been filed, is transferred to a different work location by the employer-buyer.

(4) If any provision of this subdivision or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this subdivision which can be given effect without the invalid provision or application, and to this end the provisions of this subdivision are severable.

(e) At any time within one year after the appeals board has made an award for compensation benefits in connection with an occupational disease or cumulative injury, any employer held liable under such award may institute proceedings before the appeals board for the purpose of determining an apportionment of liability or right of contribution. Such a proceeding shall not diminish,

restrict, or alter in any way the recovery previously allowed the employee or his dependents, but shall be limited to a determination of the respective contribution rights, interest or liabilities of all the employers joined in the proceeding, either initially or supplementally; provided, however, if the appeals board finds on supplemental proceedings for the purpose of determining an apportionment of liability or of a right of contribution that an employer previously held liable in fact has no liability, it may dismiss such employer and amend its original award in such manner as may be required.

(f) In any proceeding before the appeals board for the purpose of determining an apportionment of liability or of a right of contribution where any employee incurred a disability or death resulting from silicosis in underground metal mining operations, the determination of the respective rights and interests of all of the employers joined in the proceedings either initially or supplementally shall be as follows:

(1) All employers whose underground metal mining operations resulted in a silicotic exposure during the period of the employee's employment in such operations shall be jointly and severally liable for the payment of compensation and of medical, surgical, legal and hospital expense which may be awarded to the employee or his estate or dependents as the result of disability or death resulting from or aggravated by such exposure.

(2) In making its determination in the supplemental proceeding for the purpose of determining an apportionment of liability or of a right of contribution of percentage liabilities of the various employers engaged in underground metal mining operations the appeals board shall consider as a rebuttal presumption that employment in underground work in any mine for a continuous period of more than three calendar months will result in a silicotic exposure for the employee so employed during the period of employment if the underground metal mine was driven or sunk in rock having a composition which will result in dissemination of silica or silicotic dust particles when drilled, blasted or transported.

(g) Any employer shall be entitled to rebut such presumption by showing to the satisfaction of the appeals board, or its referee, that the mining methods used by the employer in the employee's place of employment did not result during his employment in the creation of silica dust in sufficient amount or concentration to constitute a silicotic hazard. Dust counts, competently made, at such intervals and in such locations as meet the requirements of the Division of Industrial Safety for safe working conditions may be received as evidence of the amount and concentration of silica dust in the workings where such counts have been made at the time when they were made. The appeals board may from time to time, as its experience may indicate proper, promulgate orders as to the frequency with which such dust counts shall be taken in different types of workings in order to justify their acceptance as evidence of

the existence or nonexistence of a silicotic hazard in the property where they have been taken.

(h) The amendments to this section adopted at the 1959 Regular Session of the Legislature shall operate retroactively, and shall apply retrospectively to any cases pending before the appeals board or courts. From and after the date this section becomes effective no payment shall be made out of the fund used for payment of the additional compensation provided for in Section 4751, or out of any other state funds, in satisfaction of any liability heretofore incurred or hereafter incurred, except awards which have become final without regard to the continuing jurisdiction of the appeals board on said effective date, and the state and its funds shall be without liability therefor. This subdivision shall not in any way effect a reduction in any benefit conferred or which may be conferred upon any injured employee or his dependents.

(i) The amendments to this section adopted at the 1977 Regular Session of the Legislature shall apply to any claims for benefits under this division which are filed or asserted on or after January 1, 1978, unless otherwise specified in this section.

CHAPTER 361

An act to amend Section 10854 of the Revenue and Taxation Code, and to amend Section 9554 of the Vehicle Code, relating to vehicles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 20, 1977. Filed with Secretary of State August 20, 1977.]

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

SECTION 1. Section 10854 of the Revenue and Taxation Code is amended to read:

10854. (a) If the fee for an original registration is not paid within 20 days after it becomes delinquent, a penalty equal to 20 percent of the fee shall be added thereto and be collected therewith. If, however, the registration of a vehicle is being renewed, the penalty shall be added to any payment made on or after the first day following the expiration date, unless the vehicle has not been operated, moved, or left standing upon the highways since the expiration of the prior registration.

(b) A penalty of 20 percent of the license fee shall be added on any application for original or renewal of year-round or annual registration made later than midnight of the date of expiration or on or after the date penalties become due. Such penalty shall be computed after the vehicle license fee has been combined with the registration and weight fees as provided in Sections 9250 and 9400 of the Vehicle Code.

(c) In computing the penalty for the 1976 registration year as prescribed in subdivisions (a) and (b) of this section, no penalty shall be charged on that portion of the fee which is in excess of a 12-month registration period.

(d) Notwithstanding subdivision (a) of this section, any penalty which became due prior to January 1, 1978, shall be computed at the rate of penalty which was then in effect.

SEC. 2. Section 9554 of the Vehicle Code is amended to read:

9554. (a) The penalty shall be equal to 20 percent of the fee after the fee has been computed as provided in Sections 9406 and 9559 and shall be collected therewith, except that the penalty for deliquency in respect to any transfer shall be three dollars ($3), and shall apply only to the last transfer.

(b) A penalty of 20 percent of the registration and weight fees shall be added on any application for original or renewal of year-round or annual registration made later than midnight of the date of expiration or on or after the date penalties become due. Such penalty shall be computed after the registration and weight fees have been combined with the license fee specified in Section 10751 of the Revenue and Taxation Code.

(c) In computing the penalty for the 1976 registration year as prescribed in subdivisions (a) and (b) of this section, no penalty shall be charged on that portion of the fee which is in excess of a 12-month registration period.

(d) Notwithstanding subdivision (a) of this section, any penalty which became due prior to January 1, 1978, shall be computed at the rate of penalty which was then in effect.

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

The current penalties for late applications for vehicle registration are unreasonably high and people are not used to the new deadlines resulting from conversion to year-round registration.

In order that this situation may be improved at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 362

An act to add Section 84500.5 to the Education Code, relating to community colleges.

[Approved by Governor August 22, 1977 Filed with Secretary of State August 23, 1977.]

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

SECTION 1. Section 84500.5 is added to the Education Code, to read:

84500.5. For the purposes of health sciences education programs in community colleges, "immediate supervision" means student participation in such programs wherein the person to whom the student is required to report for training, counseling, or other prescribed activity shares the responsibility for the supervision of the students in clinical activities with certificated personnel of the district. In all such cases the person to whom the pupil is required to report and who is not a certificated district employee shall possess a valid certificate or license to practice a healing art in California.

CHAPTER 363

An act to amend Section 35120 of the Education Code, relating to school districts.

[Approved by Governor August 24, 1977. Filed with Secretary of State August 24, 1977.]

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

SECTION 1. Section 35120 of the Education Code is amended to read:

35120. (a) In any school district in which the average daily attendance for the school year 1963–1964 exceeded 400,000, each member of the city board of education or the governing board of the district who actually attends all meetings held may receive as compensation for his services a sum not to exceed one thousand dollars ($1,000) per month. In any school district in which the average daily attendance exceeds 60,000, and which is not located in a city and county, or in any school district in which the average daily attendance exceeded 60,000 in the 1963–64 school year and was less than 60,000 in the 1972–73 school year or any subsequent school year, and which is not located in a city and county, the governing board may prescribe, as compensation for the services of each member of the board who actually attends all meetings held, a sum not to exceed seven hundred fifty dollars ($750) in any month. In any school district in which the average daily attendance for the school year 1972–1973 was less than 60,000, except a district which also comes within the terms of the preceding sentence, but more than 25,000, each member of the city board of education or the governing board of the district who actually attends all meetings held may receive as compensation for his services a sum not to exceed three hundred dollars ($300) in any month. In any school district in which the average daily attendance for the school year 1972–1973 was 25,000 or less but more than 10,000, each member of the city board of education or the governing board of the district who actually attends

all meetings held may receive as compensation for his services a sum not to exceed two hundred dollars ($200) in any month. In any school district in which the average daily attendance for the school year 1972–1973 was 10,000 or less but more than 1,000, each member of the city board of education or the governing board of the district who actually attends all meetings held may receive as compensation for his services a sum not to exceed one hundred twenty dollars ($120) in any month. In any school district in which the average daily attendance for the 1972–1973 school year was 1,000 or less but more than 150, each member of the city board of education or the governing board of the district who actually attends all meetings held may receive as compensation for his services a sum not to exceed sixty dollars ($60) in any month.

Any member who does not attend all meetings held in any month may receive, as compensation for his services, an amount not greater than the maximum amount allowed by this subdivision divided by the number of meetings held and multiplied by the number of meetings actually attended.

(b) The compensation of members of the governing board of a school district newly organized or reorganized after June 30, 1973, shall be governed by subdivision (a). For such purposes the total average daily attendance in all of the schools of the district in the school year in which the organization or reorganization became effective pursuant to Section 4062 shall be deemed to be the average daily attendance in the district for the school year 1972–73.

(c) A member may be paid for any meeting when absent if the board by resolution duly adopted and spread upon its minutes finds that at the time of the meeting he is performing services outside the meeting for the school district or districts.

(d) The compensation shall be a charge against the funds of the school district. If the city board of education or the governing board of the district is the governing board of more than one school district the compensation shall be charged against and paid by the respective school districts in the same proportion as the salary of the city superintendent of schools is charged against them. Compensation shall be reduced by an amount equal to any salary or compensation paid to the members of the city board of education from any funds of the city.

CHAPTER 364

An act to amend Sections 19461 and 19463 of the Government Code, relating to state employees.

[Approved by Governor August 24, 1977. Filed with Secretary of State August 24, 1977.]

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

SECTION 1. Section 19461 of the Government Code is amended to read:

19461. State employees shall be responsible for the purchase of uniforms required as a condition of employment. The state shall provide for an allowance not to exceed two hundred fifty dollars ($250) per year to state employees for the replacement of uniforms.

When such employees are not required to wear uniforms on a full-time basis, the state allowance shall not exceed one hundred fifty dollars ($150) per year.

SEC. 2. Section 19463 of the Government Code is amended to read:

19463. To implement the provisions of Sections 19461 and 19462, the board shall:

(a) Establish a procedure to determine what articles are to be included in calculating the amount of the uniform allowance.

(b) Determine the average annual replacement cost for each type of uniform based on departmental standards and taking into consideration normal uniform life. The allowance shall be the average annual replacement cost or two hundred fifty dollars ($250), whichever is less.

(c) Annually review uniform allowances and adjust them when necessary.

(d) Determine procedure for and frequency of payment.

(e) Determine when new employees become eligible.

(f) Determine the need for changes in uniforms based on departmental requests.

(g) Determine what degree of need for identification is necessary to support a uniform requirement.

(h) Establish procedures and make determinations as required.

CHAPTER 365

An act to amend Sections 17570 and 17571 of the Business and Professions Code, relating to vending machines.

[Approved by Governor August 24, 1977. Filed with Secretary of State August 24, 1977.]

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

SECTION 1. Section 17570 of the Business and Professions Code is amended to read:

17570. On and after July 1, 1969, every person who owns a vending machine shall have his name and address affixed thereto in a place where it may be seen by anyone using the machine.

Notwithstanding the foregoing, in the event that a person owns more than one vending machine located at the same place, such a person may, as an alternative to the above, post a clearly readable sign containing his name and address in a conspicuous location near

the machines.

SEC. 2. Section 17571 of the Business and Professions Code is amended to read:

17571. "Vending machine" means any mechanical device the operation of which depends upon the insertion of a coin or other thing representative of value in the denomination of five cents ($0.05) or more and which dispenses or vends a product, service, or exchange of equal value, other than telephone service furnished under public utility tariffs. The term shall not be construed to include any equipment used by a financial institution for the purpose of facilitating financial transactions, whether such equipment is located on the premises of the financial institution or at a location remote therefrom.

CHAPTER 366

An act to add and repeal Chapter 4.5 (commencing with Section 19700) to Division 8 of the Business and Professions Code, relating to mule racing.

[Approved by Governor August 24, 1977. Filed with Secretary of State August 24, 1977.]

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

SECTION 1. Chapter 4.5 (commencing with Section 19700) is added to Division 8 of the Business and Professions Code, to read:

CHAPTER 4.5. MULE RACING

19700. "Board" as used in this chapter means the California Horse Racing Board.

19701. Notwithstanding any other provision of law, a mule racing meeting may be conducted by the 18th District Agricultural Association as a pilot project for a period not to exceed five years from the effective date of this chapter.

19702. The board shall administer the provisions of this chapter and shall issue a license for the conducting of a mule racing meeting, which meeting shall not exceed 10 races per day for not more than four days.

19703. The board, in cooperation with representatives of the Board of Directors of the 18th District Agricultural Association, shall adopt rules governing, permitting, and regulating mutual wagering on mule races under the system known as the parimutuel method of wagering. Such wagering shall be conducted only by a person licensed under this chapter to conduct a mule racing meeting, and only within the inclosure, and on the dates for which mule racing has been authorized.

19704. The board shall issue a license for trainers and jockeys which shall be limited to the training and riding of mules.

19705. The association licensed pursuant to this chapter shall withhold 16¾ percent of total moneys wagered and shall pay a license fee as set forth in Section 19612.5 of this chapter. The total balance of moneys wagered, after the withholding of 16¾ percent, shall be distributed to the wagering public.

SEC. 2. This act shall be operative until January 1, 1983, and on such date is repealed.

CHAPTER 367

An act to add Section 107.6 to the Revenue and Taxation Code, relating to contracts.

[Approved by Governor August 24, 1977. Filed with Secretary of State August 24, 1977.]

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

SECTION 1. Section 107.6 is added to the Revenue and Taxation Code, to read:

107.6. (a) The state or any local public entity of government, when entering into a written contract with a private party whereby a possessory interest subject to property taxation may be created, shall include, or cause to be included, in such contract, a statement that such property interest may be subject to property taxation if created, and that the party in whom the possessory interest is vested may be subject to the payment of property taxes levied on such interest.

(b) Failure to comply with the requirements of this section shall not be construed to invalidate the contract. The private party may recover damages from the contracting state or local public entity, where the private party can show that without the notice, he had no actual knowledge of the existence of a possessory interest tax.

The private party is rebuttably presumed to have no such actual knowledge.

In order to show damages, the private party need not show that he would not have entered the contract but for the failure of notice.

(c) For purposes of this section:

(1) "Possessory interest" means any interest described in Section 107 and shall include any interest described in Section 107.4.

(2) "Local public entity" shall have the same meaning as that set forth in Section 900.4 of the Government Code and shall include school districts and community college districts.

(3) "State" means the state and any state agency as defined in Section 11000 of the Government Code and Section 89000 of the Education Code.

(4) "Damages" mean the amount of the possessory interest tax for the term of the contract.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because the duties, obligations, and responsibilities imposed on local governmental entities or school districts by this act are such that related costs are incurred as part of their normal operating procedures.

CHAPTER 368

An act to amend Sections 20600.1, 20601, 20602, 21252.1, 21252.5, and 21252.6 of, and to add Section 20124.6 to, the Government Code, relating to the Public Employees' Retirement System, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 24, 1977. Filed with Secretary of State August 24, 1977.]

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

SECTION 1. Section 20124.6 is added to the Government Code, to read:

20124.6. Notwithstanding any other provisions of law, the board may require a member or beneficiary to provide such information as it deems necessary to determine the systems liability with respect to, and an individuals entitlement to, benefits prescribed by this part.

SEC. 2. Section 20600.1 of the Government Code is amended to read:

20600.1. Notwithstanding any other provision of this part, separate rates of contributions for male and female members shall not be established or maintained, nor shall different benefit factors be established for male and female members in the same category, provided, that this section shall not apply to the computation of the actuarial equivalents required under this part for the determination of optional payments.

The amendments to this section at the 1977–78 Regular Session of the Legislature shall be operative from January 1, 1977.

SEC. 3. Section 20601 of the Government Code is amended to read:

20601. The normal rate of contribution for a local safety member subject to Section 21252.5 who after the date upon which this section becomes operative enters such membership or enters employment more than one year following termination of previous employment in which he was such a member shall be the rate specified for his age, at his birthday nearest to the date of such entry, in the rate schedule for the benefit formula applicable to such membership as established

by the board in accordance with this chapter (commencing with Section 20600) as it read on the day preceding such operative date, and in effect on that date, except that on and after January 1, 1977, female rates shall be adjusted to conform with male rates.

The amendments to this section at the 1977–78 Regular Session of the Legislature shall be operative from January 1, 1977.

SEC. 4. Section 20602 of the Government Code is amended to read:

20602. The normal rate of contribution for any member whose retirement allowance is determined under Sections 21252.1 and 21252.10, and who after the operative date of this section enters such membership or enters employment more than one year after termination of employment in which he was subject to any of such sections or Section 21252.2, shall be the rate, specified in the schedule established by the board in accordance with this chapter as it read on the day preceding the operative date of this section, and in effect on that date for that formula and benefit percentage, for the age at his birthday nearest to the date of his earliest service subject to any of such sections, whether or not contributions for such service were withdrawn or redeposited, increased by the number of completed years of his absence from any employment subject to any of such sections, except that on and after January 1, 1977, female rates shall be adjusted to conform with male rates.

The amendments to this section at the 1977–78 Regular Session of the Legislature shall be operative from January 1, 1977.

SEC. 5. Section 21252.1 of the Government Code is amended to read:

21252.1. The combined prior and current service pensions for patrol members and local safety members, other than local safety members to whom Section 21252.01, 21252.5, or 21252.6 applies, upon retirement at or after age 55 is a pension derived from contributions of the employer which, when added to that portion of the service retirement annuity that is derived from the accumulated normal contributions of the member, shall equal a percentage of his final compensation, multiplied by the number of years of patrol, fire, police, or county peace officer service, such percentage to be 2½ or, if less, the percentage obtained by division of 50 percent by the difference between age 55 and the member's age at his birthday nearest to the date of his first entry into any service to which this section, Section 21252.10, or 21252.2 of this part prior to the repeal of such sections at the 1972 Regular Session applied, whether or not such service is credited at retirement, increased, as to service following an absence from employment to which any such section applies, by the number of completed years of such absence. Any member entering such service at or after age 55 shall be deemed, for purposes of this section, to have entered such service at age 54.

Upon retirement for service prior to attaining age 55, the percentage of final compensation payable for each year of credited service which is subject to this section shall be the product of the

percentage which would become payable at age 55 or, if greater, the age at which the member would complete 20 years of service under Section 21252.1 were he to continue in employment, multiplied by the factor set forth in the following table for his actual age at retirement:

If retirement occurs at age:	The percent for each year of credited service is:
50	0.713
50¼	0.725
50½	0.737
50¾	0.749
51	0.761
51¼	0.775
51½	0.788
51¾	0.801
52	0.814
52¼	0.828
52½	0.843
52¾	0.857
53	0.871
53¼	0.886
53½	0.902
53¾	0.917
54	0.933
54¼	0.950
54½	0.966
54¾	0.983

The amendment to this section at the 1968 Regular Session shall apply only to such members retiring on and after the effective date of the amendment. Current and prior service pensions of such members retired prior to the effective date shall be continued in accordance with the provisions of this part (commencing with Section 20000) as they existed on the day preceding the effective date.

This section shall not apply to any local safety member in the employ of an employer not subject to this section on the effective date of the amendment to this section at the 1971 Regular Session of the Legislature.

The amendments to this section at the 1977–78 Regular Session of the Legislature shall be operative from January 1, 1977.

SEC. 6. Section 21252.5 of the Government Code is amended to read:

21252.5. The combined current and prior service pensions for a local safety member who is an employee of a contracting agency which is subject to the provisions of this section, is an annual pension which when added to the service retirement annuity that is derived from the accumulated normal contributions of the member shall equal the sum of the following:

(a) A temporary annuity based on age at retirement and length of service computed according to the following formula:

(1) 0.50 times the product of his age at retirement and his years of credited prior and current service not in excess of 20 years, plus

(2) 0.40 times the product of his age at retirement and his years of credited prior and current service in excess of 20 years.

(b) The percentage of final compensation set forth opposite his age at retirement in the following table multiplied by the number of years of credited current and prior service as a safety member in the employ of all contracting agencies subject to this section at the time of his retirement:

If retirement occurs at age:	The percent for each year of credited service is:
50	0.495
50¼	0.503
50½	0.512
50¾	0.520
51	0.529
51¼	0.538
51½	0.547
51¾	0.556
52	0.566
52¼	0.575
52a2	0.585
52¾	0.595
53	0.605
53¼	0.615
53½	0.626
53¾	0.637
54	0.648
54¼	0.659
54½	0.671
54¾	0.682
55	0.694
55¼	0.707
55½	0.720
55¾	0.733
56	0.745
56¼	0.759
56½	0.773
56¾	0.786
57	0.801
57¼	0.816
57½	0.831
57¾	0.846
58	0.861
58¼	0.878
58½	0.894
58¾	0.910
59	0.927

59¼	0.946
59½	0.964
59¾	0.982
60	1.250
60¼	1.275
60½	1.300
60¾	1.325
61	1.350
61¼	1.375
61½	1.400
61¾	1.425
62	1.450
62¼	1.475
62½	1.500
62¾	1.525
63	1.550
63¼	1.575
63½	1.600
63¾	1.625
64	1.650
64¼	1.675
64½	1.700
64¾	1.725
65	1.750

The temporary annuity under subdivision (a) of this section shall not be subject to the optional settlements under Article 4 of this chapter and shall be payable monthly until the retired member attains or would have attained age 65. Should his death occur prior to age 65, the commuted value of any remaining installments shall be paid to his designated beneficiary in the manner provided in Section 21332.5 for payment of death benefits under optional settlement one.

The agency's liability for prior service shall be in the same proportion to the total reserves required as the years of credited prior service bear to the total years of credited service. The agency's liability for current service shall consist of the remainder of the total reserves required after deducting the liability for prior service and the accumulated normal contributions of the member.

This section shall apply only to a contracting agency which elected prior to October 1, 1965, by express provision of its contract or amendment thereto to be subject hereto.

The amendments to this section at the 1977–78 Regular Session of the Legislature shall be operative from January 1, 1977.

SEC. 7. Section 21252.6 of the Government Code is amended to read:

21252.6. The combined prior and current service pension for a state safety member, and a local safety member with respect to service to a contracting agency subject to this section, upon

retirement after attaining age 55, is a pension derived from contributions of an employer sufficient, when added to that portion of the service retirement annuity which is derived from the accumulated normal contributions of the member at the date of his retirement, to equal one-fiftieth of his final compensation multiplied by the number of years of state safety, police, fire, or county peace officer service which is credited to him as a state safety member or a local safety member subject to this section at retirement. Notwithstanding the preceding sentence, this section shall apply to the current and prior service pension for any other state safety member based on service to which it would have applied had the member, on July 1, 1971, been in employment described in Section 20017.77 or 20017.78 of this code.

Upon retirement for service prior to attaining age 55, the percentage of final compensation payable for each year of credited service which is subject to this section shall be the product of 2 percent multiplied by the factor set forth in the following table for his actual age at retirement:

If retirement occurs at age:	The percent for each year of credited service is:
50	0.713
50¼	0.725
50½	0.737
50¾	0.749
51	0.761
51¼	0.775
51½	0.788
51¾	0.801
52	0.814
52¼	0.828
52½	0.843
52¾	0.857
53	0.871
53¼	0.886
53½	0.902
53¾	0.917
54	0.933
54¼	0.950
54½	0.966
54¾	0.983

In no event shall the total pension for all service under this section exceed an amount which, when added to the service retirement annuity related to such service, equals 75 percent of final compensation. If the pension relates to service to more than one employer and would otherwise exceed such maximum, the pension payable with respect to each employer shall be reduced in the same proportion as the allowance based on service to such employer bears

to the total allowance computed as though there were no limit, so that the total of such pensions shall equal the maximum.

This section shall not apply to a person whose effective date of retirement is prior to the operative date of this section or to a person who retires after such operative date and following reinstatement from a retirement having an effective date prior to such operative date and before rendering during such reinstatement at least one year of service in which he is subject to this section.

The Legislature reserves, with respect to any member subject to this section, the right to provide for such adjustment of industrial disability retirement allowances because of earnings of a retired person and modification of the conditions and qualifications required for retirement for disability as it may find appropriate because of the earlier age of service retirement made possible by the benefits under this section.

The percentage of final compensation provided in this section shall be reduced by one-third as applied to that part of the member's final compensation which does not exceed four hundred dollars ($400) per month for service after the effective date of coverage of a member under the federal system. This paragraph shall not apply to a member who retires after the date upon which coverage under the federal system of persons in his employment terminates. It shall not apply to a local safety member employed by a contracting agency electing to be subject to this section after the effective date of the amendments to this section at the 1972 Regular Session unless such agency elects to be subject to this paragraph by amendment to its contract or by appropriate provision of a contract entered into after this provision is effective and as to any such member, the reduction in the percentage of final compensation shall apply to all local safety service to such agency, if any of such local safety service has been included in the federal system.

This section shall not apply to a contracting agency nor its employees unless and until the agency elects to be subject to it by amendment to its contract made in the manner prescribed for approval of contracts or in the case of a new contract, by express provision of the contract. The operative date of this section with respect to a local safety member shall be the effective date of the amendment to his employer's contract electing to be subject to this section.

Upon such election by a contracting agency subject to Section 21252.1, this section shall not apply to a local safety member then employed who entered such employment after attaining age 30, and Section 21252.1 shall continue to apply to such member unless and until he terminates such employment and more than 30 days thereafter enters employment otherwise subject to this section. Upon such later entry into employment, the member will be subject to this section with respect to all service as a local safety member rendered to any employer subject to this section.

The amendments to this section at the 1977–78 Regular Session of

the Legislature shall be operative from January 1, 1977.

SEC. 8. The provisions of this act are declaratory of legislative intent as expressed in Chapter 1436 of the Statutes of 1976.

SEC. 9. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that contributions and benefits of members of the Public Employees' Retirement System conform to the requirements of Chapter 1436 of the Statutes of 1976, which was operative January 1, 1977, this bill must take effect immediately.

CHAPTER 369

An act to amend Sections 7710 and 7710.5 of, and to repeal and add Section 8498 of, the Fish and Game Code, relating to commercial fishing.

[Approved by Governor August 24, 1977. Filed with Secretary of State August 24, 1977.]

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

SECTION 1. Section 7710 of the Fish and Game Code is amended to read:

7710. If the director determines, based on thorough and adequate scientific evidence and at least one public hearing in the area of the fishery, that any species or subspecies of fish is in danger of irreparable injury, he may order the closure of any waters or otherwise restrict the taking under a commercial fishing license in state waters of such species. Any such closure or restriction order shall be adopted by emergency regulation in accordance with Chapter 4.5 (commencing with Section 11371), Part 1, Division 3, Title 2 of the Government Code.

The director shall bring to the attention of the Legislature within seven calendar days any regulations adopted pursuant to this section. Any such regulations shall be effective for only 30 days if the Legislature is not in joint recess during such 30-day period, or shall remain in effect only until 30 days after the end of the joint recess if the Legislature is in joint recess during such period.

Nothing in this section or Section 7710.5 shall in any way restrict any existing jurisdiction of the department with regard to the regulation of fisheries on the high seas.

SEC. 2. Section 7710.5 of the Fish and Game Code is amended to read:

7710.5. If, during the period that regulations adopted pursuant to Section 7710 are effective, the director determines, based on thorough and adequate scientific evidence and at least one public

hearing in the area of the fishery, that any species or subspecies previously restricted to take has recovered or additional evidence indicates that the resource is not in danger of irreparable injury, he may remove the restriction on take. Action to remove the restriction shall be by adoption of emergency regulation in accordance with Chapter 4.5 (commencing with Section 11371), Part 1, Division 3, Title 2 of the Government Code.

The director shall bring to the attention of the Legislature, within seven calendar days, any regulations adopted pursuant to this section.

SEC. 3. Section 8498 of the Fish and Game Code is repealed.

SEC. 4. Section 8498 is added to the Fish and Game Code, to read:

8498. The department shall submit to the Legislature not later than December 31, 1980, a written report generally evaluating the halibut fishery and specifically evaluating the provisions of this article.

SEC. 5. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local governmental entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 370

An act to add Section 20603.03 to the Government Code, relating to the Public Employees' Retirement System.

[Approved by Governor August 24, 1977. Filed with Secretary of State August 24, 1977.]

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

SECTION 1. Section 20603.03 is added to the Government Code, to read:

20603.03. Contracting agencies which are auxiliary organizations as defined in Section 89901 of the Education Code may by contract or by contract amendment provide the same rates of normal contributions for their employees who are local miscellaneous members as are applicable to state miscellaneous members pursuant to Section 20603 on the effective date of the contract or contract amendment.

CHAPTER 371

An act to amend Sections 987.62, 987.65, and 987.71 of the Military and Veterans Code, relating to veterans' farm and home purchase.

[Approved by Governor August 24, 1977. Filed with Secretary of State August 24, 1977.]

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

SECTION 1. Section 987.62 of the Military and Veterans Code is amended to read:

987.62. The department, after consummating a purchase under the provisions of this article and the veteran having occupied the property as required by Section 987.60 of this article, may waive the occupancy requirement for a period not to exceed four years on a showing of good cause. The department may also waive the occupancy requirement for any period of time if the property is a farm and if the veteran personally cultivates the property and harvests the crops or tends livestock. The department shall establish standards for the occupancy waiver and shall make those standards known.

SEC. 2. Section 987.65 of the Military and Veterans Code is amended to read:

987.65. The purchase price of a home to the department shall not exceed the sum of forty-three thousand dollars ($43,000), except that the purchase price of a mobilehome to the department shall not exceed twelve thousand five hundred dollars ($12,500), and a veteran purchasing the home may advance, subject to the provisions of Section 987.64, the difference between the total price or cost of the home and the sum of the purchase price of the home to the department and any amount the department is required under Section 987.69 of this code to add to the purchase price of the home in fixing the selling price thereof to the veteran. Any amount of the purchase price to the department may be provided by funds from participation contracts or revenue bonds. The purchase price of a farm to the department shall not exceed one hundred twenty thousand dollars ($120,000), and a veteran purchasing the farm may advance the difference between the total price of the farm or cost of the dwelling and improvements to be constructed on a farm under a contract and the sum of such purchase price to the department or contract price to the department and any amount which the department is required under Section 987.69 of this code to add to such purchase or contract price to the department in fixing the selling price of the farm to the veteran.

SEC. 3. Section 987.71 of the Military and Veterans Code is amended to read:

987.71. The purchaser shall make an initial payment of at least 5 percent of the selling price of the property. Purchasers of homes

where the purchase price is equal to or less than thirty-five thousand dollars ($35,000) shall make an initial payment of at least 3 percent of the selling price of the property. The department may waive the initial payment in any case where the value of the property as determined by the department appraisal shall equal the amount to be paid by the department plus at least 5 percent where the purchase price is greater than thirty-five thousand dollars ($35,000). In the case of homes where the purchase price is equal or less than thirty-five thousand dollars ($35,000), the department may waive the initial payment where the value of the property, as determined by department appraisal, equals the amount to be paid by the department plus at least 3 percent. The balance of the purchase price may be amortized over a period fixed by the department, not exceeding 40 years for farms or homes, but not exceeding 15 years for mobilehomes, together with interest thereon at the rate as determined by the department pursuant to Section 987.87 for such amortization purposes. The purchaser on any installment date may pay any or all installments still remaining unpaid. In any individual case the department may for good cause postpone from time to time upon terms as the department deems proper, the payment of the whole or any part of any installment of the purchase price or interest thereon. Each installment shall include an amount sufficient to pay the principal and interest on the participation contract to which the interest of the department is subject, and such amount as may be required by any covenant or provision contained in any resolution of issuance.

CHAPTER 372

An act to amend Section 1174 of the Code of Civil Procedure, relating to unlawful detainer.

[Approved by Governor August 24, 1977. Filed with Secretary of State August 24, 1977.]

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

SECTION 1. Section 1174 of the Code of Civil Procedure is amended to read:

1174. (a) If upon the trial, the verdict of the jury, or, if the case be tried without a jury, the findings of the court be in favor of the plaintiff and against the defendant, judgment shall be entered for the restitution of the premises; and if the proceedings be for an unlawful detainer after neglect, or failure to perform the conditions or covenants of the lease or agreement under which the property is held, or after default in the payment of rent, the judgment shall also declare the forfeiture of such lease or agreement if the notice required by Section 1161 of the code states the election of the

landlord to declare the forfeiture thereof, but if such notice does not so state such election, the lease or agreement shall not be forfeited.

Except as provided in Section 1166a, in any action for unlawful detainer brought by a petroleum distributor against a gasoline dealer, possession shall not be restored to the petroleum distributor unless the court in the unlawful detainer action determines that the petroleum distributor had good cause under Section 20999.1 of the Business and Professions Code to terminate, cancel, or refuse to renew the franchise of the gasoline dealer.

In any action for unlawful detainer brought by a petroleum distributor against the gasoline dealer, the court may, at the time of request of either party, require the tenant to make rental payments into the court, for the lessor, at the contract rate, pending the resolution of the action.

(b) The jury or the court, if the proceedings be tried without a jury, shall also assess the damages occasioned to the plaintiff by any forcible entry, or by any forcible or unlawful detainer, alleged in the complaint and proved on the trial, and find the amount of any rent due, if the alleged unlawful detainer be after default in the payment of rent. If the defendant is found guilty of forcible entry, or forcible or unlawful detainer, and malice is shown, the plaintiff may be awarded either damages and rent found due or punitive damages in an amount which does not exceed three times the amount of damages and rent found due. The trier of fact shall determine whether damages and rent found due or punitive damages shall be awarded, and judgment shall be entered accordingly.

(c) When the proceeding is for an unlawful detainer after default in the payment of rent, and the lease or agreement under which the rent is payable has not by its terms expired, and the notice required by Section 1161 has not stated the election of the landlord to declare the forfeiture thereof, the court may, and, if the lease or agreement is in writing, is for a term of more than one year, and does not contain a forfeiture clause, shall order that execution upon the judgment shall not be issued until the expiration of five days after the entry of the judgment, within which time the tenant, or any subtenant, or any mortgagee of the term, or any other party interested in its continuance, may pay into the court, for the landlord, the amount found due as rent, with interest thereon, and the amount of the damages found by the jury or the court for the unlawful detainer, and the costs of the proceedings, and thereupon the judgment shall be satisfied and the tenant be restored to his estate.

But if payment as here provided be not made within five days, the judgment may be enforced for its full amount, and for the possession of the premises. In all other cases the judgment may be enforced immediately.

(d) A plaintiff, having obtained a writ of restitution of the premises pursuant to an action for unlawful detainer, shall be entitled to have the premises restored to him by officers charged with the enforcement of such writs. Promptly upon payment of

reasonable costs of service, the enforcing officer shall serve an occupant or post a copy of the writ in the same manner as upon levy of writ of attachment pursuant to subdivision (d) of Section 488.310. In addition, where the copy is posted on the property, another copy of the writ shall thereafter be mailed to the defendant at his business or residence address last known to the plaintiff or his attorney or, if no such address is known, at the premises. The writ of restitution of the premises shall include a statement that personal property remaining on the premises at the time of its restitution to the landlord will be sold or otherwise disposed of in accordance with Section 1174 of the Code of Civil Procedure unless the tenant or the owner pays the landlord the reasonable cost of storage and takes possession of the personal property not later than 15 days after the time the premises are restored to the landlord. If the tenant does not vacate the premises within five days from the date of service, or, if the copy of the writ is posted, within five days from the date of mailing of the additional notice, the enforcing officer shall remove the tenant from the premises and place the plaintiff in possession thereof. It shall be the duty of the party delivering the writ to the officer for execution to furnish the information required by the officer to comply with this section.

(e) Personal property remaining on the premises which the landlord reasonably believes to have been lost shall be disposed of pursuant to Article 1 (commencing with Section 2080) of Chapter 4 of Title 6 of Part 4 of Division 3 of the Civil Code. The landlord is not liable to the owner of any property which he disposes of in this manner. If the appropriate police or sheriff's department refuses to accept such property, it shall be deemed not to have been lost for the purposes of this subdivision.

(f) The landlord shall give notice pursuant to Section 1983 of the Civil Code to any person (other than the tenant) reasonably believed by the landlord to be the owner of personal property remaining on the premises.

(g) The landlord shall store the personal property in a place of safekeeping until it is either released pursuant to subdivision (h) or disposed of pursuant to subdivision (i).

(h) The landlord shall release the personal property to the tenant or, at the landlord's option, to a person reasonably believed by the landlord to be its owner if such tenant or other person pays the costs of storage as provided in Section 1990 of the Civil Code and claims the property not later than the date specified in the writ of restitution before which the tenant must make his claim or the date specified in the notice before which a person other than the tenant must make his claim.

(i) Personal property not released pursuant to subdivision (h) shall be disposed of pursuant to Section 1988 of the Civil Code.

(j) Where the landlord releases personal property to the tenant pursuant to subdivision (h), the landlord is not liable with respect to that property to any person.

(k) Where the landlord releases personal property pursuant to subdivision (h) to a person (other than the tenant) reasonably believed by the landlord to be its owner, the landlord is not liable with respect to that property to:

(1) The tenant or to any person to whom notice was given pursuant to subdivision (f); or

(2) Any other person, unless such person proves that, prior to releasing the property, the landlord believed or reasonably should have believed that such person had an interest in the property and also that the landlord knew or should have known upon reasonable investigation the address of such person.

(*l*) Where personal property is disposed of pursuant to Section 1988 of the Civil Code, the landlord is not liable with respect to that property to:

(1) The tenant or to any person to whom notice was given pursuant to subdivision (f); or

(2) Any other person, unless such person proves that, prior to disposing of the property pursuant to Section 1988 of the Civil Code, the landlord believed or reasonably should have believed that such person had an interest in the property and also that the landlord knew or should have known upon reasonable investigation the address of such person.

(m) For the purposes of subdivisions (e), (f), (h), (k), and (*l*), the terms "owner," "premises," and "reasonable belief" have the same meaning as provided in Section 1980 of the Civil Code.

CHAPTER 373

An act to amend Section 10753 of, and to add Section 10753.6 to, the Revenue and Taxation Code, relating to vehicle license fees, and making an appropriation therefor, to take effect immediately, tax levy.

[Approved by Governor August 24, 1977. Filed with Secretary of State August 24, 1977.]

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

SECTION 1. Section 10753 of the Revenue and Taxation Code is amended to read:

10753. (a) For the purposes of this part, the market value of passenger vehicles, as defined in Section 465 of the Vehicle Code, shall be determined by the department upon the basis of the California suggested base price as herein defined and as established by the manufacturers.

(b) On all other vehicles the department shall determine the market value of the vehicle on the basis of the cost price to the purchaser as evidenced by a certificate of cost, but not including

California sales or use tax or any local sales or other local tax.

(c) In the event the department is unable to ascertain the California suggested base price as herein defined in respect to any passenger vehicles by reason of the same being a specially constructed vehicle, or for any other reason, the department shall determine the market value upon the basis of the cost price to the purchaser of the vehicle as evidenced by a certificate of cost, but not including California sales or use tax or any local sales or other local tax.

(d) In the event any vehicle is modified or additions are made to the chassis or body at a cost of two hundred dollars ($200) or more, but not including any change of engine of the same type or any cost of repairs to a vehicle, the owner of such vehicle shall report any such modification or additions to the department and the department shall classify or reclassify the vehicle in its proper class as provided in Section 10753.2, taking into consideration the increase in the market value of the vehicle due to such modifications or additions, and any reclassification resulting in increase in market value shall be based on the cost to the consumer of such modifications or additions. In the event any vehicle is modified or altered resulting in a decrease in the market value thereof of two hundred dollars ($200) or more as reported to and determined by the department, the department shall classify or reclassify the vehicle in its proper class as provided in Section 10753.2.

The foregoing provisions of this subdivision shall not apply in the event: (1) the cost of any modification or additions to the chassis or body of a vehicle is less than two hundred dollars ($200), (2) the cost is for modifications or additions necessary to incorporate a system approved by the State Air Resources Board as meeting the emission standards set forth in subdivisions (a) and (b) of former Section 39102 and former Section 39102.5 of the Health and Safety Code as they read on December 31, 1975, or (3) the cost is for modifications which are necessary to enable a disabled person to use or operate such vehicle.

(e) This section is also applicable to a system specified in subdivision (d) approved by the State Air Resources Board as meeting the emission standards specified in subdivisions (a) and (b) of former Section 39102 and former Section 39102.5 of the Health and Safety Code as they read on December 31, 1975, for vehicles 6,001 pounds or less, manufacturer's gross vehicle weight, controlled to meet exhaust emission standards when sold new, when such a system is used in any vehicle over 6,001 pounds or any vehicle 6,001 pounds or less not controlled to meet exhaust emission standards.

(f) The temporary attachment of any camper, as defined in Section 243 of the Vehicle Code, to a vehicle is not a modification or addition for the purposes of subdivision (d).

(g) The attachment to a vehicle of radiotelephone equipment furnished by a telephone corporation, as defined in Section 234 of the Public Utilities Code, is not a modification or addition for the purpose

of subdivision (d), when such equipment is not owned by the owner of the vehicle.

(h) As used in this section, "suggested base price" means the retail price of the vehicle suggested by the manufacturer, plus destination charge and cost of motor vehicle pollution control devices as are required by Part 5 (commencing with Section 43000) of Division 26 of the Health and Safety Code, as reflected on the price listing affixed to the vehicle pursuant to the Automobile Information Disclosure Act (15 U.S.C. Secs. 1231 to 1233, inclusive), but does not include the retail delivered price suggested by the manufacturer for each accessory or item of optional equipment physically attached to such vehicle at the time of its delivery to such dealer which is not included within, but is separately added to, the retail price of such vehicle as suggested by the manufacturer.

SEC. 2. Section 10753.6 is added to the Revenue and Taxation Code, to read:

10753.6. (a) Notwithstanding any other provisions of this part, the cost of any modifications to any vehicle which are necessary to enable a disabled person to use or operate such vehicle shall be excluded from the determination of the market value of the vehicle, for purposes of determining the license fee imposed by any provision of this part.

(b) (1) The department, pursuant to the request of a qualified disabled owner of a vehicle which was registered prior to the effective date of this section, shall exclude from the market value of such vehicle the cost of any modification or alteration required to adapt such vehicle to such disabled person's needs as either a driver or passenger, if such cost was previously included in the determination of the market value of such vehicle.

(2) There shall be no reduction in the amount of vehicle license fees or market value determination pursuant to this section with regard to fees imposed prior to the effective date of this section.

(3) For purposes of paragraph (1), a "qualified disabled owner" means a disabled person who qualifies for a distinguishing license plate or placard under Section 22511.5 of the Vehicle Code whose vehicle was registered prior to the effective date of this section.

SEC. 3. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 374

An act to amend Section 1810 of the Vehicle Code, relating to records, and making an appropriation therefor.

[Approved by Governor August 24, 1977 Filed with Secretary of State August 24, 1977.]

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

SECTION 1. Section 1810 of the Vehicle Code is amended to read:

1810. (a) The department may sell information from its records concerning the registration of any vehicle or information from the files of drivers' licenses at a charge sufficient to pay the actual cost to the department for providing the information, including, but not limited to, costs incurred by the department in carrying out the provisions of subdivision (b), the charge for the information to be determined by the director, with a minimum charge of twenty-five cents ($0.25) for each item. The department may sell stamps or coupons in appropriate denominations for the convenient enforcement of this section. The stamps or coupons may be used to accompany requests for information in lieu of cash, but otherwise shall be nonredeemable and shall be canceled by the department upon granting the request for information. This section does not apply to statistical information of the type heretofore compiled and distributed by the department.

(b) With respect to the sale of information concerning the registration of any vehicle, the department shall, by regulation, establish administrative procedures under which any person making a request for such information shall be required to identify himself and state the reason for making the request. Such procedures shall provide for the verification of the name and address of the person making a request for such information and the department may require the person to produce such information as it determines is necessary in order to ensure that the name and address of the person are his true name and address. Such procedures shall also provide for notification to the person to whom the information primarily relates, as to what information was provided and to whom it was provided. The department shall, by regulation, establish a reasonable period of time for which a record of all the foregoing shall be maintained.

The procedures required by this subdivision shall not apply to any governmental entity, any person who has a valid permit granted pursuant to Section 1814, any person who has applied for and has been issued a requester code by the department, any court of competent jurisdiction, any attorney admitted to practice in this state who alleges that information contained therein is relevant to any pending or potential litigation, or any accredited member of the press.

CHAPTER 375

An act to amend Sections 64072, 64101, 64106, 64108, and 64157 of, and to repeal Sections 64102 and 64156 of, the Food and Agricultural Code, relating to the Dairy Council of California.

[Approved by Governor August 24, 1977 Filed with Secretary of State August 24, 1977]

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

SECTION 1. Section 64072 of the Food and Agricultural Code is amended to read:

64072. The director shall, from records of the department or any other reliable source, maintain a list of producers, producer-handlers, and handlers.

SEC. 2. Section 64101 of the Food and Agricultural Code is amended to read:

64101. There is in the state government the Dairy Council of California which shall consist of not less than 24, nor more than 25, members, who shall be residents of this state. The membership of the council shall be as follows:

(a) There shall be 12 members that are actually engaged in the production of milk, or that represent producers that are actually engaged in the production of milk. These 12 members are the producer members of the council.

(b) There shall be 12 members that are handlers or producer-handlers of dairy products. These 12 members are the handler members of the council.

(c) Upon the recommendation of the council, the director may appoint one person who is neither a producer, handler, or producer-handler, and who shall represent the public generally.

SEC. 3. Section 64102 of the Food and Agricultural Code is repealed.

SEC. 4. Section 64106 of the Food and Agricultural Code is amended to read:

64106. During the month of October of each year, the director shall prepare and mail nomination forms to all producers, producer-handlers, and handlers for the purpose of receiving from them nominations of members of the council. Forms shall be mailed to the list provided for in Section 64072.

SEC. 5. Section 64108 of the Food and Agricultural Code is amended to read:

64108. (a) Every producer may nominate a nominee for each membership on the council which is to be filled by a producer.

(b) Every handler and producer-handler may nominate a nominee for each handler membership on the council.

(c) Producer representatives may be nominated in the same manner as provided in subdivision (a), except that to be eligible for appointment, the producer representative shall furnish to the director a resolution in writing which shows the official action of the board of directors of the organization he represents so nominating him.

SEC. 6. Section 64156 of the Food and Agricultural Code is repealed.

SEC. 7. Section 64157 of the Food and Agricultural Code is amended to read:

64157. The council shall, annually, report to the members of the

dairy industry on the activities and programs, including, but not limited to, the income and expenses, the fund balance, and a report of progress in achieving program goals, as prescribed by the director.

CHAPTER 376

An act to add Section 224.1 to, the Civil Code, relating to adoption.

[Approved by Governor August 24, 1977. Filed with Secretary of State August 24, 1977.]

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

SECTION 1. Section 224.1 is added to the Civil Code, to read:

224.1. When, in the case of a minor in the custody of a public agency or licensed adoption agency, it has been established that the persons whose consent to the adoption of such minor is required by law are deceased, an action may be brought by the State Department of Health or a licensed adoption agency requesting the court to make an order establishing that the requesting agency has the right to custody and control of the minor and the authority to place the minor for adoption. The agency bringing the action shall provide notice thereof in such form as shall be prescribed by the court to all known relatives of the minor up to and including the third degree of lineal and collateral consanguinity, as defined in Sections 252 and 253 of the Probate Code.

The provisions of this section shall not apply where a guardian of the person of the minor has been appointed pursuant to nomination by a will.

CHAPTER 377

An act to add Section 14018.4 to the Welfare and Institutions Code, relating to public social services, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 24, 1977. Filed with Secretary of State August 24, 1977.]

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

SECTION 1. Section 14018.4 is added to the Welfare and Institutions Code, to read:

14018.4. (a) Reimbursement shall not be denied to any hospital, which has contracted with a county to provide care to those who cannot afford it pursuant to Section 1442.5 of the Health and Safety Code, for care rendered to an eligible Medi-Cal beneficiary for the

sole reason that a proof of eligibility label or other appropriate documentation of eligibility does not accompany the bill, if the hospital certifies that reasonable efforts, which were unsuccessful, were made to obtain such documentation from the beneficiary or the county welfare department.

(b) The director shall require county welfare departments to issue, upon the request of such a hospital providing care to an eligible Medi-Cal beneficiary, replacement Medi-Cal proof of eligibility labels or other appropriate documentation of eligibility to the hospital, if all of the following conditions are met:

(1) The hospital attempted to obtain a label from the beneficiary at the time the service was provided.

(2) The hospital made a subsequent attempt to obtain a label or other appropriate documentation from the beneficiary.

(c) Notwithstanding subdivision (a), the director shall require that the replacement proof of eligibility label or other appropriate documentation of eligibility provided pursuant to subdivision (b) accompany the bill of the hospital.

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

In order to enhance the fiscal solvency of hospitals which have contracted with counties to provide care to those who cannot afford it, it is necessary for this act to take effect immediately.

CHAPTER 378

An act to amend Section 44909 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, relating to school certificated employees.

[Approved by Governor August 24, 1977 Filed with Secretary of State August 24, 1977]

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

SECTION 1. Section 44909 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

44909. The governing board of any school district may employ persons possessing an appropriate credential as certificated employees in programs and projects to perform services conducted under contract with public or private agencies, or other categorically funded projects of indeterminate duration. The terms and conditions under which such persons are employed shall be mutually agreed upon by the employee and the governing board and such agreement shall be reduced to writing. Service pursuant to this section shall not be included in computing the service required as a prerequisite to

attainment of, or eligibility to, classification as a permanent employee unless (1) such person has served pursuant to this section for at least 75 percent of the number of days the regular schools of the district by which he is employed are maintained and (2) such person is subsequently employed as a probationary employee in a position requiring certification qualifications. Such persons may be employed for periods which are less than a full school year and may be terminated at the expiration of the contract or specially funded project without regard to other requirements of this code respecting the termination of probationary or permanent employees.

Whenever any certificated employee in the regular educational program is assigned to a special categorically funded project of indeterminate duration and the district employs an additional credentialed person to replace such certificated employee, the replacement certificated employee shall be subject to the provisions of Section 44918.

This section shall not be construed to apply to any regularly credentialed employee who has been employed in the regular educational programs of the school district as a probationary employee before being subsequently assigned to any one of these programs.

CHAPTER 379

An act to add Section 24011 to the Government Code, relating to public administrators.

[Became law without Governor's signature August 25, 1977 Filed with Secretary of State August 25, 1977]

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

SECTION 1. Section 24011 is added to the Government Code, to read:

24011. Notwithstanding the provisions of Section 24009, the board of supervisors of Mendocino County may, by ordinance, provide that the public administrator shall be appointed by the board.

CHAPTER 380

An act to add Chapter 6.5 (commencing with Section 12655) to Division 5 of the Business and Professions Code, relating to unit pricing, and making an appropriation therefor.

[Approved by Governor August 26, 1977 Filed with Secretary of State August 27, 1977.]

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

SECTION 1. Chapter 6.5 (commencing with Section 12655) is added to Division 5 of the Business and Professions Code, to read:

CHAPTER 6.5. UNIT PRICING

12655. It is the intent of the Legislature to encourage the unit pricing of all canned, bottled, and packaged foods, packaged produce, and bakery goods; paper, plastic, wood, and metal products packaged in counts greater than 10; rolled paper, plastic, and metal products; canned, bottled, and packaged domestic, laundry and household cleansing, finishing, waxing, and polishing products; drug and first aid products canned, packaged, or bottled in counts greater than 10; and frozen fruits and vegetables, offered by merchants in their places of business for sale at retail to the public. The Legislature finds that unit pricing, the cost per ounce, pound, gallon, or the metric equivalent thereof, or per 100 square feet, or 100 count for which such items are offered for sale at retail, effectively informs the consumer of the comparative prices and values of commodities, and is thus useful for the formulation of intelligent consumer choices.

12656. The Department of Consumer Affairs, in cooperation with the retail food industry, shall adopt a standardized format for unit pricing. Such form shall include, but not be limited to, an identification of the item, including the brand name, the total price of the item, the volume, weight, or number of unit of which the item is composed, and the price per unit. The department shall furthermore prepare for public distribution an informational pamphlet explaining the method of utilizing unit pricing as an effective means of formulating intelligent consumer choices.

SEC. 2. No appropriation is made by this act, nor is any obligation created thereby under Section 2231 of the Revenue and Taxation Code, for the reimbursement of any local agency or school district for any costs that may be incurred by it in carrying on any program or performing any service required to be carried on or performed by it by this act.

SEC. 3. The sum of five thousand dollars ($5,000) is hereby appropriated from the General Fund to the Department of Consumer Affairs for the purposes of this act.

CHAPTER 381

An act to amend Sections 17702, 17732, 17742, 39214, and 81165 of, and to add Sections 17730.5 and 17732.2 to, and to repeal Sections 16086.5 and 16086.6 of, the Education Code, relating to schools.

[Approved by Governor August 26, 1977. Filed with Secretary of State August 27, 1977.]

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

SECTION 1. Section 16086.5 of the Education Code is repealed.

SEC. 2. Section 16086.6 of the Education Code is repealed.

SEC. 3. Section 17702 of the Education Code is amended to read:

17702. The following terms wherever used or referred to in this chapter, shall have the following meanings, respectively, unless a different meaning appears from the context:

(a) "Board" means the State Allocation Board.

(b) "Cost of project" includes, but is not limited to, the cost of all real estate property rights, and easements acquired, and the cost of developing the site and streets and utilities immediately adjacent thereto, the cost of construction, reconstruction, or remodeling of buildings and the furnishing and equipping of them, the cost of plans, specifications, surveys, estimate of costs or such other expenses that are necessary or incidental to the financing of the project.

(c) The term "lease" includes a lease with an option to purchase.

(d) "Project" means the facility being constructed or acquired by the state for rental to the applicant school district and may include the reconstruction or modernization of existing buildings, construction of new buildings, the grading and development of sites, acquisition of sites therefor and any easements or rights-of-way pertinent thereto or necessary for its full use including the development of streets and utilities.

(e) "Property" includes all property, real, personal or mixed, tangible or intangible, or any interest therein necessary or desirable for carrying out the purposes of this chapter.

(f) "Apportionment" means a reservation of funds necessary to finance the cost of any project approved by the board for lease to an applicant school district.

SEC. 4. Section 17730.5 is added to the Education Code, to read:

17730.5. Notwithstanding any provision to the contrary, no funds authorized by any bond act for the purpose of this chapter may be expended for any purpose without specific authorization from the board or its designated representatives.

SEC. 5. Section 17732 of the Education Code is amended to read:

17732. The board shall fix rents, charges, and fees for all projects acquired, constructed or completed under the terms of this chapter for the use thereof by any school district utilizing the facilities thereof. The board is authorized to change such rents, charges, and fees from time to time as may be needed to discharge any obligations or costs incurred or incurrable pursuant to this chapter. Such rents, charges, and fees shall at all times be fixed to yield revenue equal to all redemption payments and interest charges on funds used by the board to finance such projects. Charges may include such amounts, to be retained in an impound account, as the board may deem necessary to insure compliance with Section 17714.

SEC. 6. Section 17732.2 is added to the Education Code, to read:

17732.2. Notwithstanding anything to the contrary in Section

17732, the State Allocation Board shall each fiscal year compute the amount of funds which could be raised by the levy of a tax rate per one hundred dollars ($100) of assessed valuation of 55 cents ($0.55) for each elementary or high school district and one dollar and ten cents ($1.10) for each unified school district which has entered into a lease-purchase agreement pursuant to this chapter. The amount so computed shall be known as the "maximum district effort". The board shall then compute for each such district for such fiscal year, the amount necessary to meet bond principal and interest payments and lease-purchase payments, entered into pursuant to Article 2 (commencing with Section 39300) of Chapter 3 of Part 23, for all bond issues or lease-purchase agreements which became effective prior to January 1, 1978. To such payment amounts, for bond issues and lease-purchase payments, the board shall add any repayments required to be made by each district pursuant to the State School Building Aid Law of 1949 (commencing with Section 15700), the State School Building Aid Law of 1952 (commencing with Section 16000), and all rents due pursuant to this chapter, such total amount to be known as "district obligation".

In any year in which the district obligation exceeds the maximum district effort, the board shall defer to the following year an amount of rent due pursuant to this chapter equal to the lesser of the excess of the district obligation over the maximum district effort or the total rent due. Amounts may be so deferred from year to year, but in no event beyond the 30th year from the date of execution of the lease-purchase agreement under consideration. At the end of such 30-year period, any amounts including interest remaining due the state shall be canceled. The annual rent due as adjusted by any deferred amounts when added to any other charges and fees imposed pursuant to Section 17732 shall be the amount of the annual lease payment required to be furnished by the Director of General Services pursuant to Section 17726.

SEC. 7. Section 17742 of the Education Code is amended to read:

17742. The board, by the adoption of rules, shall provide for the manner of determining the area of adequate school construction existing in an applicant school district at the time of application. Such rules shall define and provide for the method of determining building areas that are to be included in whole or in part, or to be excluded from the area of existing adequate school construction. Any building to which Article 3 (commencing with Section 39140) of Chapter 1 of Part 23 of Division 3 of Title 2 does not apply shall not be considered adequate school construction for the purpose of determining the maximum total building area per attendance unit.

The board may make exceptions to the provisions of this section, or to the rules adopted pursuant thereto, if it determines that such will be for the benefit of pupils affected.

SEC. 8. Section 39214 of the Education Code is amended to read:

39214. "School building" as used in this article shall be limited to any physical structure capable of being occupied by pupils, but shall

exclude, (a) any bleacher or grandstand with less than six rows of seats, (b) any building which is used exclusively for warehouse, storage, garage, or districtwide administrative office purposes, into which pupils are not required to enter, and buildings utilized by adult schools for off-campus, voluntary adult education courses or registered apprentice courses, (c) any swimming pool, or (d) any yard or lighting poles or flagpoles or playground equipment which does not exceed 35 feet in height.

"School building" as used in this article excludes any building owned or occupied by a unified school district, high school district, or a county superintendent of schools which is used exclusively for adult education purposes.

If any building so excluded was not constructed in accordance with Article 3 (commencing with Section 39140) of this chapter and was not repaired, reconstructed, or replaced in accordance with this article, there shall be posted in a conspicuous place on such building a public notice stating that such building does not meet the structural standards imposed by law for earthquake safety.

SEC. 9. Section 81165 of the Education Code is amended to read:

81165. "School building" as used in this article shall be limited to any physical structure capable of being occupied by pupils, but shall exclude, (a) any bleacher or grandstand with less than six rows of seats, (b) any building which is used exclusively for warehouse, storage, garage, or districtwide administrative office purposes, into which pupils are not required to enter, and off-campus buildings utilized by adult schools or community colleges for voluntary adult education courses or registered apprentice courses, (c) any swimming pool, or (d) any yard or lighting poles or flagpoles or playground equipment which does not exceed 35 feet in height.

"School buildings" as used in this article excludes any building owned or occupied by a unified school district, high school district, or a county superintendent of schools which is used exclusively for adult education purposes.

If any building so excluded was not constructed in accordance with Article 7 (commencing with Section 81130) of this chapter and was not repaired, reconstructed, or replaced in accordance with this article, there shall be posted in a conspicuous place on such building a public notice stating that such building does not meet the structural standards imposed by law for earthquake safety.

CHAPTER 382

An act to amend Section 4851 of the Labor Code, relating to workers' compensation.

[Approved by Governor August 26, 1977 Filed with Secretary of State August 27, 1977.]

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

SECTION 1. Section 4851 of the Labor Code is amended to read:

4851. The governing body of any city, county or city and county, in addition to anyone else properly entitled, including the Public Employees' Retirement System, may request the appeals board to determine in any case, and the appeals board shall determine, whether or not the disability referred to in Section 4850 arose out of and in the course of duty. The appeals board shall also, in any disputed case, determine when such disability commenced and ceased, and the amount of benefits provided by this division to which the employee is entitled during the period of such disability.

CHAPTER 383

An act to amend Section 12602 of, and to add Sections 19808.5, 20712, 21716.5, 21880.5, and 21930.5 to, the Business and Professions Code, relating to weights and measures.

[Approved by Governor August 26, 1977. Filed with Secretary of State August 27, 1977]

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

SECTION 1. Section 12602 of the Business and Professions Code is amended to read:

12602. (a) It shall be unlawful for any person engaged in the packaging or labeling of any commodity for distribution or sale, or for any person (other than a common carrier for hire, a contract carrier for hire, or a freight forwarder for hire) engaged in the distribution of any packaged or labeled commodity, to distribute or to cause to be distributed any such commodity if such commodity is contained in a package, or if there is affixed to that commodity a label, which does not conform to the provisions of this chapter or regulations promulgated under the authority of this chapter or provisions of, or regulations promulgated under, Chapters 5 (commencing with Section 19800), 7 (commencing with Section 20700), 10 (commencing with Section 21700), 11 (commencing with Section 21800), or 11.5 (commencing with Section 21900) of Division 8.

(b) The prohibition contained in subsection (a) shall not apply to persons engaged in business as wholesale or retail distributors of commodities except to the extent that such persons (1) are engaged in the packaging or labeling of such commodities, or (2) prescribe or specify by any means the manner in which such commodities are packaged or labeled or (3) have knowledge of the violation of any provision of this chapter or of Chapters 5 (commencing with Section 19800), 7 (commencing with Section 20700), 10 (commencing with

Section 21700), 11 (commencing with Section 21800), or Chapter 11.5 (commencing with Section 21900) of Division 8.

SEC. 1.5. Section 19808.5 is added to the Business and Professions Code, to read:

19808.5. Any sealer enforcing provisions of this chapter shall have those powers granted pursuant to Division 5 (commencing with Section 12000).

SEC. 2. Section 20712 is added to the Business and Professions Code, to read:

20712. Any sealer enforcing provisions of this chapter shall have those powers granted pursuant to Division 5 (commencing with Section 12000).

SEC. 3. Section 21716.5 is added to the Business and Professions Code, to read:

21716.5. Any sealer enforcing provisions of this chapter shall have those powers granted pursuant to Division 5 (commencing with Section 12000).

SEC. 4. Section 21880 5 is added to the Business and Professions Code, to read:

21880.5. Any sealer enforcing provisions of this chapter shall have those powers granted pursuant to Division 5 (commencing with Section 12000)

SEC. 5. Section 21930.5 is added to the Business and Professions Code, to read:

21930.5. Any sealer enforcing provisions of this chapter shall have those powers granted pursuant to Division 5 (commencing with Section 12000).

SEC. 6. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local government entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 384

An act to amend Section 1052 of the Fish and Game Code, relating to licenses.

[Approved by Governor August 26, 1977 Filed with Secretary of State August 27, 1977]

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

SECTION 1. Section 1052 of the Fish and Game Code is amended to read:

1052. It is unlawful for any person to do any of the following:

(a) Transfer any license, license tag, license stamp, or permit.

(b) Use, or possess any license, license tag, license stamp, or permit which was not lawfully issued or which was obtained by fraud, deceit, or the use of a fake or counterfeit application form.

(c) Use or possess any fake or counterfeit license, license tag, license stamp, permit, permit application form, band or seal, made or used for the purpose of evading any of the provisions of this code, or regulations adopted pursuant thereto.

(d) Predate or postdate any license, license tag, or permit.

(e) Alter, mutilate, deface, duplicate, or counterfeit any license, license tag, permit, permit application form, band or seal, or entries thereon, to evade the provisions of this code, or any regulations adopted thereto.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local governmental entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 385

An act to amend Sections 20013, 20014, 20015, 20017, 20018, 20462, 20463, 21051, 21052, 21053, 21057, 21058, 21059, 21062, 21064, 21066, 21081, 21082, 21083, 21111, 21112, 21141, 21172.2, 21172.5, 21206, 21207, 21208, 21283, 21285, 21286, 21288, 21292, 21453, 21563, 21563.5, 64691, and 69691.7 and of, and to repeal Sections 20462, 20463, 21051, 21052, 21053, 21058, 21062.5, 21064, 21066, 21081, 21111, 21112, 21113, 21141, 21142, 21143, 21206, 21207, 21208, 21283, 21285, 21286, 21288, 21453, 21563, 21563.5, and 64691 of, the Food and Agricultural Code, and to amend Sections 27 and 33 of, and repeal Sections 28 and 34 of, Chapter 939 of the Statutes of 1973, relating to animals, and making an appropriation therefor.

[Approved by Governor August 26, 1977. Filed with Secretary of State August 27, 1977.]

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

SECTION 1. Section 20013 of the Food and Agricultural Code is amended to read:

20013. "Feedlot" means a beef cattle feedlot or feed yard having more than 500 head of cattle at one time during the calendar year

in which cattle are being fed for slaughter.

SEC. 2. Section 20014 of the Food and Agricultural Code is amended to read:

20014. "Beef cattle" means bovine animals of any breed being grown primarily for meat production.

SEC. 3. Section 20015 of the Food and Agricultural Code is amended to read:

20015. "Registered feedlot" means a feedlot defined in Section 20013 that is registered with the bureau in accordance with Sections 21081 and 21082.

SEC. 4. Section 20017 of the Food and Agricultural Code is amended to read:

20017. "Modified point-of-origin inspection area" means any area designated by the director, by regulation, pursuant to Section 21111.

SEC. 5. Section 20018 of the Food and Agricultural Code is amended to read:

20018. "Upon entry into a registered feedlot" means brand inspection of the cattle as soon after arrival at the feedlot as is consistent with the provisions of Section 21172.5.

SEC. 6. Section 20462 of the Food and Agricultural Code, as amended by Section 6 of Chapter 375 of the Statutes of 1975, is amended to read:

20462. There is in the department the Livestock Identification Advisory Board, which consists of seven members.

SEC. 7. Section 20462 of the Food and Agricultural Code, as amended by Section 7 of Chapter 375 of the Statutes of 1975, is repealed.

SEC. 8. Section 20463 of the Food and Agricultural Code, as amended by Section 8 of Chapter 375 of the Statutes of 1975, is amended to read:

20463. The director shall appoint the members to the board as follows:

(a) Two shall be beef cattle producers.

(b) Two shall be dairymen.

(c) One shall be engaged in the livestock marketing business.

(d) Two shall be operators of registered feedlots.

SEC. 9. Section 20463 of the Food and Agricultural Code, as amended by Section 9 of Chapter 375 of the Statutes of 1975, is repealed.

SEC. 10. Section 21051 of the Food and Agricultural Code, as amended by Section 10 of Chapter 375 of the Statutes of 1975, is amended to read:

21051. Except as otherwise provided in this chapter, cattle shall be inspected as follows:

(a) Prior to movement or rebranding, whichever occurs first, when cattle are sold or ownership is transferred.

(b) Prior to transportation out of an area which has modified point-of-origin inspection.

(c) Prior to transportation out of the state.

(d) Upon entry into a registered feedlot.

(e) Prior to slaughter.

(f) Prior to release or sale from a public stockyard, public saleyard, or public or private cattle sales market.

(g) Prior to release from a posted stockyard or posted saleyard.

SEC. 11. Section 21051 of the Food and Agricultural Code, as amended by Section 11 of Chapter 375 of the Statutes of 1975, is repealed.

SEC. 12. Section 21052 of the Food and Agricultural Code, as amended by Section 13 of Chapter 375 of the Statutes of 1975, is amended to read:

21052. It is unlawful for any person that owns or has custody of cattle to transport, slaughter, release, sell, or receive at a registered feedlot such cattle without the inspection which is required by Section 21051.

For the purposes of this section, a common carrier which transports cattle does not have custody of the cattle.

SEC. 13. Section 21052 of the Food and Agricultural Code, as amended by Section 14 of Chapter 375 of the Statutes of 1975, is repealed.

SEC. 14. Section 21053 of the Food and Agricultural Code, as amended by Section 15 of Chapter 375 of the Statutes of 1975, is amended to read:

21053. Inspection is not required prior to transportation from a modified point-of-origin inspection area, or prior to movement if being sold, if the cattle are being moved or shipped direct to one of the following destinations:

(a) A registered feedlot in this state.

(b) A licensed slaughterhouse in this state.

(c) A public salesyard or public cattle sales market in this state that is licensed pursuant to Section 21733 or posted by the United States Department of Agriculture under the Packers and Stockyards Act.

All cattle shipped without inspection prior to transportation under this section shall be inspected at the destination point.

SEC. 15. Section 21053 of the Food and Agricultural Code, as amended by Section 16 of Chapter 375 of the Statutes of 1975, is repealed.

SEC. 16. Section 21057 of the Food and Agricultural Code is amended to read:

21057. Except as provided in Section 21206, inspection is not required prior to slaughter at a licensed slaughterhouse when the cattle are being shipped direct from one of the following:

(a) A registered feedlot in this state.

(b) A public salesyard or cattle sales market in this state that is licensed pursuant to Section 21733 or posted by the United States Department of Agriculture under the Packers and Stockyards Act.

SEC. 17. Section 21058 of the Food and Agricultural Code, as amended by Section 18 of Chapter 375 of the Statutes of 1975, is

amended to read:

21058. All cattle shipped pursuant to Section 21057 shall be accompanied by one of the following:

(a) Bill of sale meeting the requirements of Section 21703.

(b) Salesyard invoice meeting the requirements of Sections 21744 and 21745.

(c) Certificate of consignment meeting the requirements of Section 21703.

SEC. 18. Section 21058 of the Food and Agricultural Code, as amended by Section 19 of Chapter 375 of the Statutes of 1975, is repealed.

SEC. 19. Section 21059 of the Food and Agricultural Code is amended to read:

21059. Inspection is not required in the following cases when cattle are shipped for pasture or feeding purposes and there is no change of ownership:

(a) When the cattle are moved only between points in the same modified point-of-origin inspection area.

(b) When the cattle are only moved across a modified point-of-origin inspection area boundary which bisects the ranch or property of the owner and shipper of the cattle.

This section does not apply to cattle entering a registered feedlot.

SEC. 20. Section 21062 of the Food and Agricultural Code is amended to read:

21062. All cattle shipped to a registered feedlot, licensed slaughterhouse, or licensed or posted livestock salesyard or market in this state for inspection at destination pursuant to this chapter shall be accompanied by a bill of sale, or certificate of consignment. The original document shall be presented to the inspector prior to the inspection of the cattle.

SEC. 21. Section 21062.5 of the Food and Agricultural Code is repealed.

SEC. 22. Section 21064 of the Food and Agricultural Code, as amended by Section 23 of Chapter 375 of the Statutes of 1975, is amended to read:

21064. A copy of the document required by Section 21062 shall be kept on file in the office of the registered feedlot, licensed slaughterhouse, or salesyard or market for a period of one year after the transaction.

SEC. 23. Section 21064 of the Food and Agricultural Code, as amended by Section 24 of Chapter 375 of the Statutes of 1975, is repealed.

SEC. 24. Section 21066 of the Food and Agricultural Code, as amended by Section 25 of Chapter 375 of the Statutes of 1975, is amended to read:

21066. All cattle transported within a modified point-of-origin area with no change in ownership for pasture or feeding purposes shall be accompanied by a certificate of consignment which contains the information specified in Section 21703.

SEC. 25. Section 21066 of the Food and Agricultural Code, as amended by Section 26 of Chapter 375 of the Statutes of 1975, is repealed.

SEC. 26. Section 27 of Chapter 939 of the Statutes of 1973 is amended to read:

SEC. 27. The heading of Article 2 (commencing with Section 21081) of Chapter 6 of Division 10 of the Food and Agricultural Code shall be:

Article 2. Feedlot Registration

SEC. 27. Section 28 of Chapter 939 of the Statutes of 1973 is repealed.

SEC. 28. Section 21081 of the Food and Agricultural Code, as amended by Section 29 of Chapter 375 of the Statutes of 1975, is amended to read:

21081. The operator of a feedlot as defined in Section 20013 shall register each such feedlot with the director.

SEC. 29. Section 21081 of the Food and Agricultural Code, as amended by Section 30 of Chapter 375 of the Statutes of 1975, is repealed.

SEC. 30. Section 21082 of the Food and Agricultural Code is amended to read:

21082. Registration consists of filing of a registration application with the bureau which shall show the location of the feedlot, its capacity, the names and addresses of the owners, and any other information which the director may require.

This registration shall be filed and approved by the director in order for a feedlot to receive cattle for inspection in accordance with subdivision (d) of Section 21051 and subdivision (a) of Section 21053, or to ship cattle in accordance with subdivision (a) of Section 21057.

Feedlots operating on and after the effective date of this section shall have 15 days from that date in which to apply for registration.

SEC. 31. Section 21083 of the Food and Agricultural Code is amended to read:

21083. The director may cancel the registration of any feedlot from which cattle were shipped without the inspection required by subdivision (d) of Section 21051. When such cancellation occurs, the cattle from any such feedlot shall be inspected at slaughter in accordance with subdivision (e) of Section 21051.

SEC. 32. Section 33 of Chapter 939 of the Statutes of 973 is amended to read:

SEC. 33. The heading of Article 3 (commencing with Section 21111) of Chapter 6 of Division 10 of the Food and Agricultural Code shall be:

Article 3. Modified Point-of-Origin Inspection Areas

SEC. 33. Section 34 of Chapter 939 of the Statutes of 1973 is repealed.

SEC. 34. Section 21111 of the Food and Agricultural Code, as amended by Section 35 of Chapter 375 of the Statutes of 1975, is amended to read:

21111. The director shall, by regulation, establish and maintain modified point-of-origin inspection areas statewide. He shall observe the following guidelines in designating the boundaries of the modified point-of-origin inspection areas:

(a) Those areas designated in Article 2 (commencing with Section 856) of subchapter 3 of Chapter 2 of Title 3 of the California Administrative Code as full point-of-origin inspection areas prior to the effective date of this section shall become modified point-of-origin inspection areas.

(b) Except those areas designated in subdivision (a) of this section, the areas designated in Article 3 (commencing with Section 892) of subchapter 3 of Chapter 2 of Title 3 of the California Administrative Code as cattle movement zones prior to the effective date of this section shall become modified point-of-origin inspection areas.

(c) The modified point-of-origin inspection areas established pursuant to subdivisions (a) and (b) of this section may be redrawn when the cattlemen owning cattle in the affected area request such action by a two-thirds vote of those present at a public hearing held at a central location in the area.

SEC. 35. Section 21111 of the Food and Agricultural Code, as amended by Section 36 of Chapter 375 of the Statutes of 1975, is repealed.

SEC. 36. Section 21112 of the Food and Agricultural Code, as amended by Section 37 of Chapter 375 of the Statutes of 1975, is amended to read:

21112. A modified point-of-origin inspection area may consist of one or more counties or geographical areas.

SEC. 37. Section 21112 of the Food and Agricultural Code, as amended by Section 38 of Chapter 375 of the Statutes of 1975, is repealed.

SEC. 38. Section 21113 of the Food and Agricultural Code is repealed.

SEC. 39. Section 21141 of the Food and Agricultural Code, as amended by Section 40 of Chapter 375 of the Statutes of 1975, is amended to read:

21141. The director may, by regulation, provide that full point-of-origin inspection shall be maintained in any geographical area when all of the following conditions prevail:

(a) There is an unusually high incidence of cattle loss as evidenced by reports taken by local law enforcement personnel or brand inspectors.

(b) The cattlemen owning cattle in the affected area request such action by a two-thirds vote of those present at a public meeting held at a central location in the area.

(c) The public meeting provided for in subdivision (b) shall be publicized at least one week in advance of the meeting date in a local newspaper of general circulation, and industry associations shall be notified one week in advance of the meeting.

(d) Such full point-of-origin inspection shall not be maintained for a period greater than one year without being reaffirmed pursuant to this section. The director may, however, terminate such full point-of-origin inspection when he determines, after a public hearing, that such inspection is no longer necessary in order to carry out the provisions of this chapter.

SEC. 40. Section 21141 of the Food and Agricultural Code, as amended by Section 41 of Chapter 375 of the Statutes of 1975, is repealed.

SEC. 41. Section 21142 of the Food and Agricultural Code is repealed.

SEC. 42. Section 21143 of the Food and Agricultural Code is repealed.

SEC. 43. Section 21172.2 of the Food and Agricultural Code is amended to read:

21172.2. The director may, by regulation, provide that any person who ships any cattle from a modified point-of-origin inspection area, for inspection at destination, is required to notify the local brand inspector prior to shipment of such cattle, if he finds, following a public hearing in the area, such requirement is needed to protect cattle owners from losses by theft or straying of their livestock.

SEC. 44. Section 21172.5 of the Food and Agricultural Code is amended to read:

21172.5. The brand inspection of cattle as provided for in this chapter shall be conducted in such a way as to minimize the disruption of normal cattle raising operations. Both the feedlot management and personnel and the brand inspector shall jointly handle the cattle at a time and in a manner that is not detrimental to the livestock involved. However, nothing in this section shall prevent any cattle from being brand inspected pursuant to Section 21051.

SEC. 45. Section 21206 of the Food and Agricultural Code, as amended by Section 46 of Chapter 375 of the Statutes of 1975, is amended to read:

21206. Cattle which are shipped for slaughter from either of the following points of origin may be inspected by the director without any charge prior to slaughter on a monitoring basis sufficient to assure that uninspected cattle are not being slaughtered:

(a) Registered feedlots.

(b) Public salesyards or livestock markets in this state that are licensed by the state or posted by the United States Department of Agriculture under the Packers and Stockyards Act.

The director shall adopt the regulations necessary to implement this section.

SEC. 46. Section 21206 of the Food and Agricultural Code, as amended by Section 47 of Chapter 375 of the Statutes of 1975, is repealed.

SEC. 47. Section 21207 of the Food and Agricultural Code, as amended by Section 48 of Chapter 375 of the Statutes of 1975, is amended to read:

21207. Whenever the director upon the inspection provided for by Section 21206 finds any cattle that have not been inspected in accordance with subdivisions (d), (f) and (g) of Section 21051, he shall inspect the cattle and charge for the inspection.

SEC. 48. Section 21207 of the Food and Agricultural Code, as amended by Section 49 of Chapter 375 of the Statutes of 1975, is repealed.

SEC. 49. Section 21208 of the Food and Agricultural Code, as amended by Section 50 of Chapter 375 of the Statutes of 1975, is amended to read:

21208. In addition to any other penalty, any person who slaughters cattle at a slaughter plant without the brand inspection required by this chapter, shall pay a penalty fee of twenty-five dollars ($25) for each head of cattle so slaughtered.

SEC. 50. Section 21208 of the Food and Agricultural Code, as amended by Section 51 of Chapter 375 of the Statutes of 1975, is repealed.

SEC. 51. Section 21283 of the Food and Agricultural Code, as amended by Section 1 of Chapter 376 of the Statutes of 1975, is amended to read:

21283. Except as otherwise provided in this article, the fee shall be paid at the point of inspection and is thirty cents ($0.30) for each animal which is inspected.

SEC. 52. Section 21283 of the Food and Agricultural Code, as amended by Section 2 of Chapter 376 of the Statutes of 1975, is repealed.

SEC. 53. Section 21285 of the Food and Agricultural Code, as amended by Section 3 of Chapter 376 of the Statutes of 1975, is amended to read:

21285. The fee is thirty cents ($0.30) for the inspection before sale of each animal at a public salesyard which is posted by the Secretary of Agriculture of the United States or at a public salesyard if the animal originated in another state and it was shipped to this state, consigned to such public stockyard or public salesyard.

SEC. 54. Section 21285 of the Food and Agricultural Code, as amended by Section 4 of Chapter 376 of the Statutes of 1975, is repealed.

SEC. 55. Section 21286 of the Food and Agricultural Code, as amended by Section 5 of Chapter 376 of the Statutes of 1975, is amended to read:

21286. The fee is thirty cents ($0.30) for the inspection of each

animal which originated in another state and was shipped to this state for slaughter, if such animal is unloaded in an enclosure which is used exclusively by the slaughterer that is located within one mile of the slaughterhouse and the cattle are driven, not transported, from the enclosure to the slaughterhouse.

SEC. 56. Section 21286 of the Food and Agricultural Code, as amended by Section 6 of Chapter 376 of the Statutes of 1975, is repealed.

SEC. 57. Section 21288 of the Food and Agricultural Code, as amended by Section 7 of Chapter 376 of the Statutes of 1975, is amended to read:

21288. The fee for the inspection of cattle, other than suckling calves which are accompanying their mothers, is twenty-seven cents ($0.27) if the cattle are transported for purposes other than sale or slaughter and no change of ownership is involved. The fee which is prescribed by this section applies to pasture cattle which are transported out of a modified point-of-origin area or out of this state.

SEC. 58. Section 21288 of the Food and Agricultural Code, as amended by Section 8 of Chapter 376 of the Statutes of 1975, is repealed.

SEC. 59. Section 21292 of the Food and Agricultural Code is amended to read:

21292. Cattle shipped directly from a registered feedlot in this state for immediate slaughter outside this state, shall be brand inspected, and a brand certificate shall be issued, but a brand inspection fee shall not be charged or collected, if all of the following conditions are met:

(a) The cattle, as feeders, were originally shipped in from outside this state directly to a registered feedlot in this state and were brand inspected and a brand inspection fee was charged and collected upon entry to such a feedlot.

(b) The cattle were fed to slaughter condition inside such feedlot and there has been no change of ownership within this state.

(c) The shipper shall produce the brand inspection certificate that was issued at the time the cattle were brand inspected upon entry to a registered feedlot in this state.

SEC. 60. Section 21453 of the Food and Agricultural Code, as amended by Section 52 of Chapter 375 of the Statutes of 1975, is amended to read:

21453. A new inspection need not be made of the hide or carcass of an animal which was previously inspected as follows:

(a) Inspected pursuant to subdivision (e) of Section 21051.

(b) Inspected pursuant to subdivisions (d), (f) and (g) of Section 21051 and slaughtered in accordance with Section 21057.

(c) Inspected pursuant to Section 22004 and subdivision (c) of Section 22008.

SEC. 61. Section 21453 of the Food and Agricultural Code, as amended by Section 53 of Chapter 375 of the Statutes of 1975, is repealed.

SEC. 62. Section 21563 of the Food and Agricultural Code, as amended by Section 13 of Chapter 376 of the Statutes of 1975, is amended to read:

21563. Except as otherwise provided in this article, the fee shall be paid at the point of inspection and is thirty cents ($0.30) for each carcass or hide which is inspected.

SEC. 63. Section 21563 of the Food and Agricultural Code, as amended by Section 14 of Chapter 376 of the Statutes of 1975, is repealed.

SEC. 64. Section 21563.5 of the Food and Agricultural Code, as amended by Section 15 of Chapter 376 of the Statutes of 1975, is amended to read:

21563.5. The fee for the inspection of each carcass or hide shall be thirty-four cents ($0.34) for each carcass and hide originating in those counties or geographical areas where a point-of-origin inspection is maintained pursuant to Article 4 (commencing with Section 21141) of Chapter 6 of Division 10.

SEC. 65. Section 21563.5 of the Food and Agricultural Code, as amended by Section 16 of Chapter 376 of the Statutes of 1975, is repealed.

SEC. 66. Section 64691 of the Food and Agricultural Code, as amended by Section 54 of Chapter 375 of the Statutes of 1975, is amended to read:

64691. In order to carry out the programs and administer the activities which are conducted pursuant to this chapter, a fee of ten cents ($0.10) per head on cattle and calves shall be charged and collected from the seller or from the seller's account and paid to the director as specified in Section 64691.7 by each operator of any stockyard, livestock auction market, slaughterhouse, packing plant, feedlot, or seller's agent, who shall deduct such an amount from the proceeds of sale or from other moneys owed to the seller. Such fee shall be charged on all cattle and calves except the following:

(a) Hides, skins, or reduction animals.

(b) Any cattle that are transported for purposes other than for sale or slaughter and without a change of ownership.

(c) Any animal which is less than three months of age.

(d) Any animal sold for milk or calf production.

Such fees shall not be charged or collected more than once from each owner upon the same animal.

SEC. 67. Section 64691 of the Food and Agricultural Code, as amended by Section 55 of Chapter 375 of the Statutes of 1975, is repealed.

SEC. 68. Section 64691.7 of the Food and Agricultural Code is amended to read:

64691.7. The fees required under Section 64691 shall be due and payable at the same time that brand inspection fees are collected as provided in Article 9 (commencing with Section 21281) of Chapter 6 of Division 10, except as follows:

(a) Cattle slaughtered at a slaughterhouse which is licensed

pursuant to Article 2 (commencing with Section 22031) of Chapter 10 of Division 10, which were received from a registered feedlot as defined in Section 20015.

The fees for the cattle which were slaughtered at a licensed slaughterhouse shall be charged and collected by the slaughterhouse operator for all such cattle received and slaughtered from such feedlots, and shall be paid to the director at the end of each month for all cattle slaughtered during that month. The slaughterhouse operator shall be responsible for the payment of such fees, even if he has not collected such money from the seller of the cattle which he has slaughtered.

(b) Cattle shipped outside this state for immediate slaughter, without brand inspection fees, pursuant to Section 21292. The fees prescribed by this chapter on such cattle shall be due and payable, and are to be collected by the brand inspector when he inspects the cattle, prior to their shipment from this state.

SEC. 69. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local governmental entities and school district which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 386

An act to amend Sections 35205 and 72421 of the Education Code, relating to school districts and community college districts.

[Approved by Governor August 26, 1977. Filed with Secretary of State August 27, 1977]

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

SECTION 1. Section 35205 of the Education Code is amended to read:

35205. The governing board of any school district may contract with a qualified attorney in private practice to provide legal services and compensation of such attorney in private practice pursuant to contract under this section shall be a proper use of school district funds, but the school district shall first obtain the written views of the district attorney or county counsel, which shall be furnished within seven days from the time of the request by the governing board, as to the need for legal services and on the form of the proposed contract with the private attorney. Such written views shall not be binding upon the governing board, but shall be advisory only.

SEC. 2. Section 72421 of the Education Code is amended to read:

72421. The governing board of any community college district may contract with a qualified attorney in private practice to provide legal services and compensation of such attorney in private practice pursuant to contract under this section shall be a proper use of district funds, but the district shall first obtain the written views of the district attorney or county counsel, which shall be furnished within seven days from the time of the request by the governing board, as to the need for legal services and on the form of the proposed contract with the private attorney. Such written views shall not be binding upon the governing board, but shall be advisory only.

CHAPTER 387

An act to amend Sections 71660 and 71680 of, and to add Section 71600 to, the Water Code, relating to municipal water districts.

[Approved by Governor August 26, 1977. Filed with Secretary of State August 27, 1977.]

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

SECTION 1. Section 71600 is added to the Water Code, to read:

71600. Every person convicted of an infraction for a violation of any local ordinance or regulation adopted pursuant to this division shall be punished upon a first conviction by a fine not exceeding fifty dollars ($50) and for a second conviction within a period of one year by a fine of not exceeding one hundred dollars ($100) and for a third or any subsequent conviction within a period of one year by a fine of not exceeding two hundred fifty dollars ($250).

SEC. 2. Section 71660 of the Water Code is amended to read:

71660. A district may construct, maintain, improve, and operate public recreational facilities appurtenant to any water reservoir operated or contracted to be operated by the district. It may by ordinance provide regulations binding upon all persons to govern the use of such facilities, including regulations imposing reasonable charges for the use thereof. Violation of district regulations relating to vehicle or boat speed limits, defacement of district property, the use, possession or discharge of firearms, weapons or fireworks, the creation of fire hazards, being under the influence of intoxicating beverages or dangerous drugs, or remaining on, or reentering district premises after an authorized district officer or employee has specifically withdrawn consent to utilize district facilities is a misdemeanor. Violation of any other regulation of the district adopted pursuant to this section is an infraction.

SEC. 3. Section 71680 of the Water Code is amended to read:

71680. A district may acquire, construct, and operate facilities for providing fire protection to the district and its inhabitants, including buildings, engines, hose, hose carts, or carriages, and other appliances

and supplies for the full equipment of a fire company or department; establish and maintain a fire department and first aid and ambulance or mobile intensive care paramedic service, and establish and enforce rules and regulations for the administration, operation, and maintenance thereof; and adopt and enforce reasonable ordinances for the prevention and suppression of fires and conflagrations and for the protection and preservation of life and property against the hazards of fire and conflagration not in conflict with any ordinance on the subject previously adopted by the board of supervisors of any county in which a part of the district is located. The officers of the fire department of the district shall have the powers of peace officers while engaged in the performance of their duties with respect to the prevention and suppression of fires and conflagrations and the protection and preservation of life and property against the hazards of fire and conflagration. The terms "county fire protection district" and "fire protection district" as used in Chapter 1 (commencing with Section 13100) of Part 2 of Division 12 of the Health and Safety Code and in Section 25643 of the Government Code, shall include a municipal water district which has established a fire department pursuant to this subdivision.

If the district includes any part of a city, fire district, or other local agency which provides fire protection service to any territory in the district, the district shall have no authority pursuant to this subdivision regarding the prevention or suppression of fires, in such territory unless and until it has obtained the consent of such city, fire district, or other local agency.

Every person who violates any of the provisions of a district ordinance adopted pursuant to this section or who fails or refuses to correct or eliminate a fire or life hazard after written order of the district board or its authorized representative is guilty of a misdemeanor.

CHAPTER 388

An act to amend Section 11294 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor August 26, 1977. Filed with Secretary of State August 27, 1977.]

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

SECTION 1. Section 11294 of the Revenue and Taxation Code is amended to read:

11294. In determining the averages required in Section 11293, the board shall exclude from the California factor car mileage, car days or such other data which occurs while cars are not qualified for revenue service and are in a repair facility in this state requiring and

undergoing or awaiting remodeling, overhaul, renovation, conversion or repair which necessitates total labor in excess of 10 man-hours.

Car days excluded pursuant to this section shall not exceed 90 days per car unless the claimant provides substantiation of the necessity for the additional days in such form as prescribed by the board.

CHAPTER 389

An act to amend Section 31000.8 of the Government Code, relating to counties.

[Approved by Governor August 26, 1977. Filed with Secretary of State August 27, 1977.]

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

SECTION 1. Section 31000.8 of the Government Code is amended to read:

31000.8. Notwithstanding any other law to the contrary, the board of supervisors of a county which is wholly or partially self-insured under the workers' compensation laws, which is wholly or partially self-insured against public liability, or which is wholly or partially self-insured for employee health and welfare benefits, may contract with a qualified firm for the purpose of having such firm render investigative, administrative, and claims adjustment services relating to workers' compensation and public liability and employee health and welfare benefit claims against the county. The contract may provide that the contracting firm may reject, settle, compromise and approve workers' compensation, and public liability and employee health and welfare benefit claims against the county, its officers or employees, within such limits and for such amounts as the board of supervisors may specify, and may provide that the contracting firm may execute and issue checks in payment of such claims, which checks shall be payable only from a trust fund which may be established by the board of supervisors. Funds in the trust fund established by the board pursuant to the provisions of this section shall not exceed a sum sufficient to provide for the settlement of claims for a 30-day period as determined by the board of supervisors or the sum of five thousand dollars ($5,000), whichever is larger, at any one time. The rejection or settlement and approval of a claim by the contracting firm in accordance with the terms of the contract shall have the same effect as would the rejection or settlement and approval of such a claim by the board of supervisors and the county auditor. The contract may also provide that the contracting firm may employ legal counsel, subject to such terms and limitations as the board may prescribe, to advise such contracting firm concerning the legality and advisability of rejecting, settling, compromising and

paying claims referred to said contracting firm by the county for investigation and adjustment, or to represent the county in litigation concerning such claims. The compensation and expenses of such attorney for services rendered to the county shall be county charges.

The contract provided for in this section may contain such other terms and conditions as the board of supervisors may consider necessary or desirable to effectuate the county's self-insured programs.

In lieu of, or in addition to, contracting for the services described in this section, the board of supervisors may authorize a county employee to perform any or all of the services and functions which the board may contract for under the provisions of this section.

As used in this section:

(a) "Firm" includes a person, corporation, or other legal entity.

(b) "Board of supervisors" includes governing boards of districts and other public agencies for which the board of supervisors acts as the governing board.

(c) "County" includes such districts and other public agencies for which the board of supervisors acts as the governing board.

CHAPTER 390

An act to amend Sections 3005.7 and 4854 of the Fish and Game Code, relating to mountain lions.

[Approved by Governor August 26, 1977. Filed with Secretary of State August 27, 1977.]

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

SECTION 1. Section 3005.7 of the Fish and Game Code is amended to read:

3005.7. It is unlawful to capture any mountain lion or to possess or confine any live mountain lion taken from the wild, except as provided by this code or regulations made pursuant thereto. Any mountain lion possessed or confined in violation of this section shall be seized by the department.

The commission may promulgate regulations permitting the temporary confinement of mountain lions for the purpose of treating them, if injured or diseased.

This section shall remain in effect only until January 1, 1983, and as of that date is repealed.

SEC. 2. Section 4854 of the Fish and Game Code is amended to read:

4854. This chapter shall remain in effect only until January 1, 1983, and as of that date is repealed. Section 4189 and Chapter 10 (commencing with Section 4800) of Part 2 of Division 4 shall be inoperative until such date.

CHAPTER 391

An act to add Section 1530.6 to the Health and Safety Code, relating to foster care, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 26, 1977. Filed with Secretary of State August 27, 1977.]

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

SECTION 1. Section 1530.6 is added to the Health and Safety Code, to read:

1530.6. Notwithstanding any other provision of law, persons licensed pursuant to this chapter to provide residential foster care to a child either placed with them pursuant to order of the juvenile court or voluntarily placed with them by the person or persons having legal custody of such child, may give the same legal consent for such child as a parent except for the following: (1) marriage; (2) entry into the armed forces; (3) vehicle operator's license; (4) medical and dental treatment, except that consent may be given for ordinary medical and dental treatment for such child, including, but not limited to, immunizations, physical examinations, and X-rays; and (5) if the child is voluntarily placed by the parent or parents, such items as are agreed to in writing by the parties to the placement.

To this effect, the state department shall prescribe rules and regulations to carry out the intent of this section.

This section shall not be applicable to any situation in which a juvenile court order expressly reserves the right to consent to such activities to the court.

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

Due to a recent ruling of Los Angeles County based upon an opinion of the county counsel, foster parents, as well as children's service workers, can no longer make decisions regarding the activities or health care of foster children without court approval. This restriction prohibits foster parents from making such decisions as whether or not the child may attend organized youth functions, receive immunizations and other attention for routine health care. In order to alleviate the serious hardship caused the foster children and parents, it is necessary this act take immediate effect.

CHAPTER 392

An act to add Section 10017 to the Business and Professions Code, relating to real estate licensees.

[Approved by Governor August 26, 1977. Filed with Secretary of State August 27, 1977.]

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

SECTION 1. Section 10017 is added to the Business and Professions Code, to read:

10017. Whenever the word salesman is used in this division, or in the rules and regulations of the commissioner, it means salesperson. A licensee, however, may elect to refer to the licensed status as real estate salesman, real estate saleswoman, or real estate salesperson.

CHAPTER 393

An act to amend Sections 8552 and 12513 of the Water Code, relating to compensation of board members.

[Approved by Governor August 26, 1977. Filed with Secretary of State August 27, 1977.]

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

SECTION 1. Section 8552 of the Water Code is amended to read:

8552. Each member of the board shall receive the necessary expenses incurred by him in the performance of his duties, and each member of the board that is neither eligible for nor receives any salary or other compensation for time spent attending meetings of the board shall receive fifty dollars ($50) for each day attending the meetings of the board, but such per diem shall not exceed two thousand dollars ($2,000) in any one year.

In addition to the amounts above provided, any member of the board traveling outside the state pursuant to authorization of the board, and the approval of the Governor and Director of Finance as provided by Section 11032 of the Government Code, while so engaged shall receive such per diem and his necessary expenses.

SEC. 2. Section 12513 of the Water Code is amended to read:

12513. Each member of the board, except as otherwise provided in this section, shall serve without compensation but shall be reimbursed for traveling and other expenses actually and necessarily incurred in the performance of his duties. In addition, each member of the board that is neither eligible for nor receives any salary or other compensation for time spent attending meetings of the board shall receive fifty dollars ($50) for each day attending the meetings of the board.

CHAPTER 394

An act to amend Sections 21361, 21366, 21382.1, and 21456 of the Government Code, relating to the Public Employees' Retirement System.

[Approved by Governor August 26, 1977. Filed with Secretary of State August 27, 1977.]

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

SECTION 1. Section 21361 of the Government Code is amended to read:

21361. The basic death benefit is payable in all cases where the retirement system is liable under Section 21360 for either the basic or a special death benefit and the special death benefit is not payable.

The basic death benefit shall consist of:

(a) The accumulated contributions of the member.

(b) If the member is not an insured member, or is an insured member eligible for service retirement, an amount, provided from contributions by the state, or a contracting agency, equal to one-twelfth of the annual compensation earnable by the deceased during the 12 months immediately preceding his death, multiplied by the number of completed years of current service credited to the member, but not to exceed one-half of such compensation. If the member is an insured member who is ineligible for service retirement and is also credited with service as a local member only such service shall be used in computing the amount under this subdivision and such amount shall not be a part of the basic death benefit payable with respect to the insured member.

(c) If the member is a state member, other than a school member, who dies after becoming eligible for retirement with more than five but less than six years credited service, an amount equal to 50 percent of the annual compensation earnable by the deceased member during the 12 months immediately preceding his death.

The basic death benefit for a member who dies under the circumstances described in subdivision (a) (5) of Section 21360 shall not exceed an amount which when added to the death benefit paid for such member under such other system equals the maximum death benefit payable under that system, if the death is not the result of injury or disease arising out of and in the course of his employment under that system; provided, however, that such benefit shall be at least equal to his accumulated contributions. The basic death benefit for such member shall be the amount of his accumulated contributions if death is the result of disease or injury arising out of and in the course of employment under such other system.

SEC. 2. Section 21366 of the Government Code is amended to read:

21366. If payment of the special death benefit is stopped because

of remarriage or death of the surviving spouse or death, marriage, or attainment of the age of 18 years by a child, or if a full-time student aged 22, before the sum of the monthly payment made, exclusive of the annuity derived from the accumulated additional contribution of the deceased, equals the basic death benefit, a lump sum equal to the difference shall be paid the remarried surviving spouse, or if there is no such surviving spouse, to the surviving children of the deceased member, share and share alike, or if there are no such children, to the estate of the person last entitled to the allowance. In such event, or if there is no such surviving spouse, the accumulated additional contributions of the deceased, as they were at his or her death, less the annuity paid as derived from such contributions, and plus interest credited to the accumulated additional contributions, shall be paid in the manner provided in this article for the payments of amounts due in the absence of a designated beneficiary.

SEC. 3. Section 21382.1 of the Government Code is amended to read:

21382.1. Upon remarriage, the surviving wife or surviving husband of a member on account of whom an allowance is payable under this part shall not be required to become the guardian of surviving unmarried children under 18 years of age, other than stepchildren, in order to be paid the benefits prescribed for such children.

SEC. 4. Section 21456 of the Government Code is amended to read:

21456. The provisions of this chapter shall be deemed to create a right of subrogation only to amounts paid as disability retirement allowances and special death benefits.

SEC. 5. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because the duties, obligations, or responsibilities imposed on local government by this act can be accomplished with no additional cost to local government.

CHAPTER 395

An act to amend Sections 7263 and 7264of the Government Code, relating to relocation assistance.

[Approved by Governor August 26, 1977. Filed with Secretary of State August 27, 1977.]

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

SECTION 1. Section 7263 of the Government Code is amended to read:

7263. (a) In addition to the payments required by Section 7262, the public entity, as a part of the cost of acquisition, shall make a payment to the owner of real property acquired for public use which is improved with a dwelling actually owned and occupied by the owner for not less than 180 days prior to the initiation of negotiation for the acquisition of such property. If a homeowner has satisfied all but the 180-day requirement, and if in the judgment of the public entity the circumstances warrant it, the public entity may reduce the requirement as necessary.

(b) Such payment, not to exceed fifteen thousand dollars ($15,000), shall be based on the following factors:

(1) The amount, if any, which, when added to the acquisition payment, equals the reasonable cost of a comparable replacement dwelling determined, in accordance with standards established by the public entity, to be a decent, safe and sanitary dwelling adequate to accomodate the displaced owner, reasonably accessible to public services and the displaced person's place of employment, and available on the market.

(2) The amount, if any, which will compensate the displaced owner for any increased interest costs which he is required to pay for financing the acquisition of a comparable replacement dwelling. The amount shall be paid only if the acquired dwelling was encumbered by a bona fide mortgage which was a valid lien on such dwelling for not less than 180 days prior to the initiation of negotiations for the acquisition of such dwelling. The amount shall be equal to the excess in the aggregate interest and other debt service costs of that amount of the principal of the mortgage on the replacement dwelling which is equal to the unpaid balance of the mortgage on the acquired dwelling, over the remainder term of the mortgage on the acquired dwelling, reduced to discounted present value. The discount rate shall be the prevailing interest rate paid on savings deposits by commercial banks in the general area in which the replacement dwelling is located.

(3) Reasonable expenses incurred by the displaced owner for evidence of title, recording fees, and other closing costs incident to the purchase of the replacement dwelling, but not including prepaid expenses.

(c) Such payment shall be made only to a displaced owner who purchases and occupies a replacement dwelling that meets standards established by the public entity within one year subsequent to the date on which he moves from the dwelling acquired by the public entity or the date on which he receives from the public entity final payment of all costs of the dwelling acquired by the public entity, whichever is the later date.

SEC. 2. Section 7264 of the Government Code is amended to read:

7264. (a) In addition to the payments required by Section 7262, as a part of the cost of acquisition, the public entity shall make a

payment to any displaced person displaced from any dwelling not eligible to receive a payment under Section 7263 which was actually and lawfully occupied by such person for not less than 90 days prior to the initiation of negotiation by the public entity for the acquisition of such property. If a displaced person satisfies all but the 90-day requirement, and if in the judgment of the public entity the circumstances warrant it, the public entity may reduce the requirement as necessary.

(b) Such payment, not to exceed four thousand dollars ($4,000), shall be the additional amount which is necessary to enable such person to lease or rent for a period not to exceed four years, or to make the down-payment on the purchase of, a decent, safe, and sanitary dwelling of standards adequate to accommodate such person in areas not generally less desirable in regard to public utilities and public and commercial facilities.

(c) If the payment is to be used as a downpayment for the acquisition of a decent, safe, and sanitary dwelling of such standards, the payment shall not exceed two thousand dollars ($2,000), unless the amount in excess thereof is equally matched by such person.

CHAPTER 396

An act to amend Section 19627 of the Business and Professions Code, relating to fairs.

[Approved by Governor August 26, 1977. Filed with Secretary of State August 27, 1977.]

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

SECTION 1. Section 19627 of the Business and Professions Code is amended to read:

19627. Forty percent, but not more than four million six hundred eighty thousand dollars ($4,680,000), of the first balance of the fund is hereby annually appropriated for the encouragement of county, district, or combined county and district fairs (exclusive of the California Exposition and State Fair, the Los Angeles County Fair, 1-A District Agricultural Association, the Sixth District Agricultural Association, known and designated as the California Museum of Science and Industry, the 48th District Agricultural Association, and citrus fruit fairs), to be apportioned by and expended under the supervision of the Department of Food and Agriculture in the manner and for the purpose prescribed by Part 4 (commencing with Section 4401) of Division 3 of the Food and Agricultural Code and other applicable provisions of law including this section.

The Department of Food and Agriculture shall apportion the money appropriated by this section to the several eligible county, district, or combined county and district agricultural fairs on the

basis of the need of each such fair for financial assistance from the state during the year for which the apportionment is to be made. No such fair shall receive such an apportionment in excess of such need as established by the department. In determining such need, the department shall take into consideration, as to each such fair, all relevant factors, including, but not limited to, the following:

(a) Net expenditures or revenues shown in the budget.

(b) The amount of money available to the fair from state, local, or any other sources.

(c) The amount of available reserve funds, except for the revenues accumulated under Section 19627.5.

(d) The amount of funds, if any, allocated under subdivision (b) of Section 19627.3.

No such county, district or combined county and district agricultural fair shall receive an apportionment of more than sixty-five thousand dollars ($65,000) in any one year. No such fair shall be eligible for an apportionment pursuant to this section unless it has filed, for each year subsequent to 1958, a statement of its operations during such year as provided in Section 4505 of the Food and Agricultural Code, irrespective of whether or not an apportionment for any such year or years is sought or made and all such fairs shall be deemed to be subject to such Section 4505 for all purposes.

CHAPTER 397

An act to amend Section 1528.5 of the Unemployment Insurance Code, relating to appropriations regarding unemployment insurance, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 26, 1977. Filed with Secretary of State August 27, 1977.]

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

SECTION 1. Section 1528.5 of the Unemployment Insurance Code is amended to read:

1528.5. (a) Money credited to the account of this state in the Unemployment Trust Fund by the Secretary of the Treasury of the United States of America pursuant to Section 903 of the Social Security Act, as amended, may not be requisitioned from this state's account or used except for the payment of benefits and for the payment of expenses incurred for the administration of this part. Such money may be requisitioned pursuant to Section 1529 for the payment of benefits. Such money may also be requisitioned and used for the payment of expenses incurred for the administration of this part but only pursuant to a specific appropriation by the Legislature

and only if the expenses are incurred and the money is requisitioned after the enactment of an appropriation law which:

(1) Specifies the purposes for which such money is appropriated and the amounts appropriated therefor.

(2) Limits the period within which such money may be obligated to a period ending not more than two years after the date of the enactment of the appropriation law.

(3) Provides that the total amount which may be obligated shall be limited to the restrictions specified by, and charged in accordance with, Section 903(c)(2)(D) of the Social Security Act, as amended.

(b) Money appropriated pursuant to this section for the payment of expenses of administration shall be requisitioned as needed for the payment of obligations incurred under such appropriation and, upon requisition, shall be deposited in the Unemployment Administration Fund, but, until expended, shall remain a part of the Unemployment Fund. The director and the Controller shall maintain a separate record of the deposit, obligation, expenditure, and return of funds so deposited. Any money so deposited which will not be expended shall be returned promptly to the account of this state in the Unemployment Trust Fund.

SEC. 2. Notwithstanding the provisions of paragraph (c) of the proviso contained in Item 408 of the Budget Act of 1977 and of Item 408.4 of such act, the total amount obligated pursuant to Items 408 and 408.4 of that act during the 1977–78 fiscal year shall be limited to the restrictions specified by, and charged in accordance with, Section 903(c)(2)(D) of the Social Security Act, as amended.

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

Public Law 94-273, the "Fiscal Year Adjustment Act," amended Section 903 of the Social Security Act to provide new revised restrictions on the use of money by a state pursuant to state appropriations of money credited to a state under Section 903 of the Social Security Act and used for administration of a state's unemployment compensation law and public employment offices. Existing California law is inconsistent with the revised federal requirements. In order that appropriations in the Budget Act of 1977 of money credited under Section 903 of the Social Security Act may comply with federal law changes, it is necessary that this act take effect immediately.

CHAPTER 398

An act to amend Section 69535 of the Education Code, and to amend Sections 68076.6 and 68077.5 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, relating to postsecondary education, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 27, 1977. Filed with Secretary of State August 27, 1977.]

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

SECTION 1. Section 68076.6 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

68076.6. A student who is an adult alien shall be entitled to resident classification if he or she is a refugee who has been granted parolee status, conditional entrant status, or indefinite voluntary departure status in accordance with all applicable laws of the United States; provided that he or she has lived in the state one year immediately prior to the residency determination date.

Should the student lawfully be admitted to the United States for permanent residence in accordance with all applicable laws of the United States, the student shall not lose his or her resident classification until he or she has resided in the state the minimum time necessary to become a resident.

This section shall be operative only until June 30, 1980, and as of that date is repealed.

SEC. 2. Section 68077.5 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

68077.5. A student who is a minor alien shall be entitled to resident classification if he or she is a refugee who has been granted parolee status, conditional entrant status, or indefinite voluntary departure status in accordance with all applicable laws of the United States; provided that he or she has lived in the state one year immediately prior to the residency determination date.

Should the student lawfully be admitted to the United States for permanent residence in accordance with all applicable laws of the United States, the student shall not lose his or her resident classification until he or she has resided in the state the minimum time necessary to become a resident.

This section shall be operative only until June 30, 1980, and as of that date is repealed.

SEC. 2.5. Section 69535 of the Education Code is amended to read:

69535. Cal Grant awards shall be based upon the financial need of the applicant, but for the applicants so qualifying, academic criteria or criteria related to past performances shall be utilized as the criteria in determining eligibility for grants. The level of financial

need of each applicant shall be determined by the commission, taking into account the financial resources of the applicant and the applicant's family. All Cal Grant recipients shall be residents of California which shall include those persons entitled to resident classification pursuant to Sections 68076.6 and 68077.5, as determined by the commission, and shall remain eligible only if they are in attendance and making satisfactory progress through the instructional programs, as determined by the commission. Part-time students shall not be discriminated against in the award of Cal Grants, and awards to part-time students shall be roughly proportional to the time spent in the instructional program, as determined by the commission. Cal Grants shall be awarded without regard to race, religion, creed, sex, or age. First-time Cal Grant recipients who are part-time students shall be eligible for a full-time renewal award. No applicant shall receive more than one type of Cal Grant award concurrently. A Cal Grant recipient shall be a citizen of the United States or, if he is under 21 years of age and not a citizen of the United States, either he or his parent or parents must have been admitted to the United States on a permanent resident visa.

The Student Aid Commission may, for students who accelerate college attendance, increase the amount of award for one academic year proportional to the period of additional attendance resulting from attendance at a summer term, session, or quarter. In the aggregate, the total amount a student may receive in a four-year period may not be increased as a result of accelerating his progress to a degree by attending summer terms, sessions, or quarters. The Student Aid Commission may provide by appropriate rules and regulations for such reports, accounting, and statements from the award winner and college or university of attendance pertaining to the use or application of the award as it may deem proper.

The Student Aid Commission may establish Cal Grants in one hundred dollar ($100) increments.

SEC. 3. It is the intent of the Legislature that any changes in resident classification of students made by this act shall be in effect for the commencement of the 1977–78 fall terms, semesters, and quarters of public institutions of higher education which are affected by Chapter 1 (commencing with Section 68000) of Part 41 of the Education Code, regardless of the effective date of this act.

SEC. 4. Notwithstanding Sections 2229 and 2230 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this act nor shall there be any appropriation made by this act because there are no state-mandated local costs in this act and any revenue loss implied herein is not reimbursable under Sections 2229 and 2230 of the Revenue and Taxation Code.

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

In order that the limited number of aliens whose residence

classification would be determined in accordance with the provisions of this bill for purposes of attending public institutions of higher education in this state may take advantage of such provisions, commencing with 1977–78 fall terms, semesters, and quarters, it is essential that this act take effect immediately.

CHAPTER 399

An act to add and repeal Sections 66903.1 and 66903.2 of, and to add Section 66903.3 to, the Education Code, relating to universities and colleges.

[Approved by Governor August 27, 1977. Filed with Secretary of State August 27, 1977.]

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

SECTION 1. In enacting this act the Legislature hereby finds and declares:

(1) Underrepresentation of ethnic minorities and women persists within certain areas of employment at the state university and colleges and the University of California;

(2) No comprehensive set of information exists regarding the representation of ethnic minorities and women within the work forces of the community colleges;

(3) The Legislature and the Governor must be better informed of specific results of affirmative action hiring programs of the state university and colleges, the University of California, and the community colleges; and

(4) The Budget Conference Committee of the Legislature has in past years requested various information from the University of California and the state university and colleges regarding the representation of minority and women employees in their respective work forces. It is desirable to regularize this reporting process and move toward comparable data among institutions to improve legislative deliberations on the state budget. Accordingly, the reports required by this act shall supersede and replace those which have heretofore been provided pursuant to conference committee budget language.

SEC. 2. Section 66903.1 is added to the Education Code, to read:

66903.1. The commission shall report to the Legislature and the Governor on March 1, 1980, and every two years thereafter until and including 1984, on the representation and utilization of ethnic minorities and women among academic, administrative, and other employees at the California State University and Colleges, the University of California, and the public community colleges. To prepare this report the commission shall collect data from each of the three segments of public postsecondary education. The format for

this data shall be the higher education staff information form required biennially from all institutions of higher education by the Federal Equal Employment Opportunity Commission, the collection of which is now coordinated by the California Postsecondary Education Commission.

(a) The higher education staff information form includes the following types of data:

(1) The number of full-time employees by job categories, ethnicity, sex, and salary ranges;

(2) The number of full-time faculty by ethnicity, sex, rank, and tenure;

(3) The number of part-time employees by job categories (including tenured, nontenured or tenure track, and other nontenured academic employees), ethnicity, and sex; and

(4) The number of full-time new hires by job categories (including tenured, nontenured or tenure track, and other nontenured academic employees), ethnicity, and sex.

(b) In addition to the above, the segments shall submit to the commission the following:

(1) Promotion and separation data for faculty and staff employees by ethnicity and sex for each of the two-year time periods beginning with 1977 to 1979;

(2) Narrative evaluation examining patterns of underutilization of women and minority employees among different job categories compared with the availability of qualified women and minorities for different job categories;

(3) Narrative evaluation examining specific results of affirmative action programs in reducing underutilization of women and minorities; and

(4) Narrative evaluation of both strengths and inadequacies of current affirmative action programs, including inadequacies resulting from budgetary constraints.

(c) For purposes of this section, minorities and ethnic minorities shall include those persons defined as such by rules and regulations of the Federal Equal Employment Opportunity Commission.

This section shall remain in effect until January 1, 1985, and as of that date is repealed.

SEC. 3. Section 66903.2 is added to the Education Code, to read:

66903.2. Pursuant to subdivision (4) of Section 66903, the commission shall participate in appropriate stages of the executive and legislative budget processes, as requested by the executive and legislative branches, to advise regarding the representation of women and minority employees at institutions of higher education.

All information generated by the institutions and collected by the commission pursuant to Section 66903.1 shall be available to the public.

This section shall remain in effect until January 1, 1985, and as of that date is repealed.

SEC. 4. Section 66903.3 is added to the Education Code, to read:

66903.3. The California Postsecondary Education Commission shall maintain a registry of names and qualifications of minorities and women who are available for employment in academic and administrative positions in postsecondary education. This registry shall be reviewed and updated not less than every two years. The commission's service shall complement, but not duplicate, more extensive affirmative action efforts of postsecondary education institutions. The participation of job applicants and of institutions shall be voluntary.

CHAPTER 400

An act to amend Sections 55523 and 56252 of, and to add Sections 55601.3, 55881, 56302.5, and 56620 to, the Food and Agricultural Code, relating to farm products.

[Approved by Governor August 27, 1977 Filed with Secretary of State August 27, 1977.]

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

SECTION 1. Section 55523 of the Food and Agricultural Code is amended to read:

55523. Each application shall state all of the following:

(a) The full name of the applicant.

(b) If the applicant is a firm, exchange, association, or corporation the full name of each member of the firm, or the names of the officers of the exchange, association, or corporation.

(c) The principal business address of the applicant in this state.

(d) The name of every person that is authorized to receive and accept service of summons for the applicant.

(e) In addition to the other requirements of this chapter, each applicant for a license, except for the renewal of any such license, shall include a balance sheet, or statement of financial position, which presents fairly the financial condition as of the applicant's most recent yearend. Such financial statement if not prepared by a public accountant or certified public accountant shall be on a form prescribed by the director and shall be submitted under penalty of perjury. Any balance sheet submitted which does not provide the detail required by the director may be rejected until such detail is provided.

(f) If at any time the director has cause or reason to believe that any licensee is in an unsound financial condition so as to impair his ability to pay consignor-creditors or producer-creditors in full for farm products received or handled, or for any reason deems it advisable, he may require such licensee to file with him a balance sheet or statement of financial position, which presents fairly the financial condition of such licensee. Such financial statement, if not

prepared by a public accountant or certified public accountant, shall be on a form prescribed by the director and shall be submitted under penalty of perjury. Any balance sheet submitted which does not provide the detail required by the director may be rejected until such detail is provided.

(g) Failure to file a financial statement as required by this chapter is a violation of this chapter.

SEC. 2. Section 55601.3 is added to the Food and Agricultural Code, to read:

55601.3. Upon the following, the processor shall notify the seller, on a form to be prescribed by the department, as to the requirements set forth in Sections 55601 and 55881:

(a) Upon delinquency of a contract.

(b) If payment is not made within 30 days when the contract does not specify time of payment or if there is no contract.

(c) If payment is not made within 30 days when the contract is oral, irrespective of the agreed time of payment.

The processor shall have the burden of proof as to the timely delivery of such a notice.

Such a notice shall only be required as to the first contract between any particular seller and processor during any one calendar year.

SEC. 3. Section 55881 is added to the Food and Agricultural Code, to read:

55881. Under a contract for the purchase or handling of any farm product, any delinquent payment of money under this chapter shall also include a late charge of 5 percent per month of the unpaid balance calculated on a daily basis for the period of the delinquency for the first month and an additional 1 percent per month of the unpaid balance calculated on a daily basis for the remaining period of the delinquency. Any such late charge shall be payable to the person from whom the farm product was purchased, unless the person waives, in writing, his right to such payment. Such waiver shall be valid and effective only when given after a delinquency has occurred.

This section does not affect the time of payment provided for in this chapter or in any contract for the purchase or handling of any farm product.

SEC. 4. Section 56252 of the Food and Agricultural Code is amended to read:

56252. In addition to the other requirements of this chapter, each application for a license, except for the renewal of any such license, other than a cash buyer, shall include a balance sheet, or statement of financial position, which presents fairly the financial condition as of the applicant's most recent year end. Such financial statement if not prepared by a public accountant or certified public accountant shall be on a form prescribed by the director and shall be submitted under penalty of perjury. Any balance sheet submitted which does not provide the detail required by the director may be rejected until such detail is provided.

SEC. 5. Section 56302.5 is added to the Food and Agricultural Code, to read:

56302.5. Upon the following, a licensee operating as a dealer shall notify the seller on a form to be prescribed by the department, as to the requirements set forth in Sections 56302 and 56620:

(a) Upon delinquency of a contract.

(b) If payment is not made within 30 days when the contract does not specify time of payment or if there is no contract.

(c) If payment is not made within 30 days when the contract is oral, irrespective of the agreed time of payment.

The dealer shall have the burden of proof as to the timely delivery of such a notice.

Such a notice shall only be required as to the first contract between any particular seller and dealer during any one calendar year.

SEC. 6. Section 56620 is added to the Food and Agricultural Code, to read:

56620. Under a contract for the purchase or handling of any farm products, any delinquent payment of money under this chapter shall also include a late charge of 5 percent per month of the unpaid balance calculated on a daily basis for the period of the delinquency for the first month and an additional 1 percent per month of the unpaid balance calculated on a daily basis for the remaining period of the delinquency. Any such late charge shall be payable to the person from whom the farm product was purchased, unless the person waives, in writing, his right to such payment. Such waiver shall be valid and effective only when given after a delinquency has occurred.

This section does not affect the time of payment provided for in this chapter or in any contract for the purchase or handling of any farm product.

SEC. 7. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local government entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 401

An act to amend Sections 37362 and 37363 of, and to add Sections 25539.1 and 25539.2 to, the Government Code, relating to housing.

[Approved by Governor August 27, 1977 Filed with Secretary of State August 27, 1977.]

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

SECTION 1. Section 25539.1 is added to the Government Code, to read:

25539.1. The Legislature hereby finds that many persons and families of low or moderate income cannot afford to purchase housing in the conventional housing market. The Legislature also recognizes that counties occasionally acquire residential property requiring substantial rehabilitation prior to being deemed habitable. Since maintenance of existing housing stock and the extension of opportunities for homeownership are desirable objectives, the Legislature declares that the public interest would be well served if counties were empowered to sell such residential property at less than market value to persons and families of low or moderate income, as defined in Section 41056 of the Health and Safety Code, on condition that the purchaser rehabilitate the home and reside therein for a specified length of time.

SEC. 2. Section 25539.2 is added to the Government Code, to read:

25539.2. When the legislative body of a county finds the public interest and convenience require the sale for less than the market price of residential property acquired by the county, it may pass an ordinance providing for such sale. The ordinance shall set forth the procedure to be followed in completing such sales, including the qualifications required of a purchaser of such property, and shall contain provisions requiring that the purchaser of the property live in the property for a specified length of time and must rehabilitate such property to the extent specified in the ordinance; provided, however, that title to the property shall not be transferred until all the requirements set forth in the ordinance have been satisfied. Persons eligible to purchase such residential property shall be persons and families of low or moderate income or very low income households as defined in Sections 41056 and 41067 of the Health and Safety Code. To the greatest extent possible, counties shall utilize such ordinances to assist very low income and low income households.

SEC. 3. Section 37362 of the Government Code is amended to read:

37362. The Legislature hereby finds that many persons and families of low or moderate income cannot afford to purchase housing in the conventional housing market. The Legislature also recognizes that cities occasionally acquire residential property requiring substantial rehabilitation prior to being deemed habitable. Since maintenance of existing housing stock and the extension of opportunities for homeownership are desirable objectives, the Legislature declares that the public interest would be well served if cities were empowered to sell such residential property at less than market value to persons and families of low or moderate income as defined in Section 41056 of the Health and Safety Code, on condition that the purchaser rehabilitate the home and reside therein for a specified length of time. The provisions of this section shall apply to

a chartered city.

SEC. 4. Section 37363 of the Government Code is amended to read:

37363. When the legislative body of a city finds the public interest and convenience require the sale for less than the market price of residential property acquired by the city, it may pass an ordinance providing for such sale. The ordinance shall set forth the procedure to be followed in completing such sales, including the qualifications required of a purchaser of such property, and shall contain provisions requiring that the purchaser of the property live in the property for a specified length of time and must rehabilitate such property to the extent specified in the ordinance; provided, however, that title to the property shall not be transferred until all the requirements set forth in the ordinance have been satisfied. Persons eligible to purchase such residential property shall be persons and families of low or moderate income or very low income households as defined in Sections 41056 and 41067 of the Health and Safety Code. To the greatest extent possible, cities shall utilize such ordinances to assist very low income and low income households. The provisions of this section shall apply to a chartered city.

CHAPTER 402

An act to amend Sections 61306, 61806, 61877, 61902, 61945, 61977, 61980, 62083, 62611, 62641, and 62642 of, to add Article 11 (commencing with Section 61581) to Chapter 1 of Part 3 of Division 21 of, to repeal Sections 61806.5, 61811, 61812, 61819, 62051, and 62418 of, and to repeal Article 23 (commencing with Section 62471) of Chapter 2 of Part 3 of Division 21 of, the Food and Agricultural Code, relating to milk.

[Approved by Governor August 27, 1977. Filed with Secretary of State August 27, 1977]

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

SECTION 1. Section 61306 of the Food and Agricultural Code is amended to read:

61306. "Distributor" means any person, that purchases or handles market milk, market cream, or any dairy product for processing, manufacture, or sale. It includes brokers and agents and the nonprofit cooperative associations described in Article 2 (commencing with Section 61331) of this chapter in the transactions in which such article provides that the associations are distributors. It also includes any person who regularly operates mobile vehicles on routes predominantly for sales of market milk, market cream, or dairy products on such routes to wholesale customers, or directly to consumers at their homes. It does not, however, include any of the following:

(a) Any retail store or wholesale customer which is not actively and directly engaged in manufacturing, processing, or packaging milk, cream, or any dairy product.

(b) Any producer that delivers milk or cream only to a distributor or manufacturer.

A retail store or a wholesale customer is a "distributor" only as to milk, cream, or any dairy product that is actively and directly processed, manufactured, or packaged by such retail store or wholesale customer.

SEC. 2. Article 11 (commencing with Section 61581) is added to Chapter 1 of Part 3 of Division 21 of the Food and Agricultural Code, to read:

Article 11. Temporary Pricing Authority

61581. The Legislature hereby finds and declares:

(a) Since 1937, the director has established minimum wholesale and minimum retail prices for market milk under the provisions of Chapter 2 (commencing with Section 61801) of this part.

(b) The provisions of this article are intended, for the purposes stated in Article 3 (commencing with Section 61341) of this chapter, and for the additional purpose of providing an orderly transition in the dairy industry from a long period of public establishment of minimum wholesale and minimum retail prices for market milk to a period where prices for such milk will be determined by open competition, subject to the provisions of this chapter, to be preventive of monopoly and destructive trade practices.

(c) Because of such transition period, it is desirable that the director retain temporary pricing authority as provided by this article.

61582. The director may, after investigation and public hearing, find and determine that within one or more sales areas, as to market milk, severe market disruption exists which prevents effectuation of the purposes and policies of this chapter and which tends to foster monopoly and other destructive trade practices. In the event of such finding, the director may, for a temporary period of 90 days, declare in effect minimum wholesale or minimum retail prices, or both, for market milk, and enforce such minimum prices in the manner provided in Article 10 (commencing with Section 61571) of this chapter. The director may extend such 90-day period, after public hearing, by one or more successive 90-day periods.

61583. The director, in establishing any minimum wholesale or minimum retail prices, or both, for market milk under this article shall take into consideration the purposes and policies of this chapter and Chapter 2 (commencing with Section 61801) of this part, and such evidence of reasonable and necessary costs of handling of market milk by distributors, retail stores, and wholesale customers as is introduced before the director at public hearing or hearings held under this article.

SEC. 2.5. Section 61806 of the Food and Agricultural Code is amended to read:

61806. "Distributor" means any person that purchases or handles fluid milk or fluid cream for processing, manufacture, or sale. It includes brokers and agents and the nonprofit cooperative associations described in Article 2 (commencing with Section 61831) of this chapter in the transactions in which such article provides that the associations are distributors. It also includes any person who regularly operates mobile vehicles on routes predominantly for sales of fluid milk or fluid cream on such routes to wholesale customers, or directly to consumers at their homes. It does not, however, include any of the following:

(a) Any retail store that is not actively and directly engaged in processing and packaging fluid milk or fluid cream.

(b) Any establishment where fluid milk or fluid cream is sold only for consumption on the premises, that is not actively and directly engaged in processing and packaging fluid milk or fluid cream.

(c) Any person that owns or controls, or is owned or controlled by, one or more retail stores, or by one or more establishments where fluid milk or fluid cream is sold for consumption on the premises, which person is not actively and directly engaged in the processing and packaging of fluid milk or fluid cream.

(d) Any producer that delivers fluid milk or fluid cream only to a distributor.

SEC. 3. Section 61806.5 of the Food and Agricultural Code is repealed.

SEC. 4. Section 61811 of the Food and Agricultural Code is repealed.

SEC. 5. Section 61812 of the Food and Agricultural Code is repealed.

SEC. 6. Section 61819 of the Food and Agricultural Code is repealed.

SEC. 7. Section 61877 of the Food and Agricultural Code is amended to read:

61877. Nothing in this chapter permits or authorizes the development of conditions of monopoly in the production or distribution of fluid milk or fluid cream. In the establishment of the terms and conditions under which fluid milk and fluid cream shall be purchased from producers, such terms and conditions shall be those which will, in the several localities and markets of the state, and under the varying conditions of production and distribution, insure an adequate and continuous supply of pure fresh wholesome fluid milk and fluid cream to consumers of the fluid milk and fluid cream at fair and reasonable prices.

SEC. 8. Section 61902 of the Food and Agricultural Code is amended to read:

61902. No amendment of any provision of this chapter shall have the effect of terminating or invalidating any minimum prices for fluid milk or fluid cream, or both, which is established by the director

pursuant to this chapter prior to the effective date of such amendment. The director shall, however, establish minimum prices pursuant to the provisions of such amendment at the earliest practicable date after the effective date of such amendment.

SEC. 9. Section 61945 of the Food and Agricultural Code is amended to read:

61945. Any provisions of a stabilization and marketing plan formulated, established, or rejected by the director pursuant to this chapter, shall be accompanied by written statements, which shall be made available by the director to any interested person upon request, stating in substance the considerations upon which such plan provisions and minimum prices are based.

SEC. 10. Section 61977 of the Food and Agricultural Code is amended to read:

61977. The director may refuse to grant any license if he is satisfied that any applicant, or any person that is connected with the applicant, has violated any of the following:

(a) This chapter or any stabilization and marketing plan which is formulated pursuant to this chapter.

(b) Any regulation which is duly adopted by the director pursuant to Section 61931.

(c) Chapter 1 (commencing with Section 61301) of Part 3 of Division 21.

SEC. 11. Section 61980 of the Food and Agricultural Code is amended to read:

61980. The decision may include an order refusing the license which is applied for, or affixing such other conditional and probationary orders as may be proper for the enforcement of any of the following:

(a) This chapter or any stabilization and marketing plan which is formulated pursuant to this chapter.

(b) Any regulation which is duly adopted by the director pursuant to Section 61931.

(c) Chapter 1 (commencing with Section 61301) of Part 3 of Division 21.

SEC. 12. Section 62051 of the Food and Agricultural Code is repealed.

SEC. 13. Section 62083 of the Food and Agricultural Code is amended to read:

62083. If the director finds, after a public hearing in and for each particular marketing area under consideration for consolidation, that conditions of production and distribution are reasonably uniform in two or more such marketing areas in which stabilization and marketing plans are in effect, he may consolidate the areas.

If there is a sales stimulation and consumer educational program in effect in one or more of the areas under consideration for consolidation, the existence of such a program shall not prevent the consolidation. If the areas are consolidated, the program may remain in effect until the date of termination of the program in that part of

the consolidated area where the program was in effect prior to the consolidation. If the period the program is to remain in effect is extended, it shall be effective in the entire consolidated marketing area.

SEC. 14. Section 62418 of the Food and Agricultural Code is repealed.

SEC. 15. Article 23 (commencing with Section 62471) of Chapter 2 of Part 3 of Division 21 of the Food and Agricultural Code is repealed.

SEC. 16. Section 62611 of the Food and Agricultural Code is amended to read:

62611. The director may revoke or suspend, as the case may require, any license which is issued pursuant to this chapter, if he is satisfied that any licensee or any person who is connected with the licensee has violated any provision of any of the following:

(a) This chapter or any stabilization and marketing plan which is formulated pursuant to the provisions of this chapter.

(b) Any regulation which is duly adopted by the director pursuant to Section 61931.

The proceedings shall be conducted in accordance with Chapter 5 (commencing with Section 11500), Part 1, Division 3, Title 2 of the Government Code, and the director shall have all the powers which are granted in such chapter.

SEC. 17. Section 62641 of the Food and Agricultural Code is amended to read:

62641. The violation of any provision of this chapter, or of any provision of any stabilization and marketing plan formulated under the provisions of this chapter, or of any of the unfair practices set forth in this chapter or of any regulation duly adopted by the director pursuant to Section 61931, is a misdemeanor.

SEC. 18. Section 62642 of the Food and Agricultural Code is amended to read:

62642. Any person that violates any provision of this chapter or of a stabilization and marketing plan or any regulation which is adopted by the director pursuant to Section 61931 shall be liable civilly in the sum of five hundred dollars ($500) for each and every violation, such sum to be recovered by the director in any court of competent jurisdiction.

SEC. 19. If this act and A.B. 1110 are both enacted by the Legislature during the 1977 portion of the 1977–78 Regular Session, and become effective on or before January 1, 1978, the provisions of A.B. 1110 shall prevail over the provisions of this act, whether A.B. 1110 is enacted prior or subsequent to this act.

CHAPTER 403

An act to add Article 4 (commencing with Section 84400) to Chapter 4 of Title 9 of the Government Code, relating to campaign disclosure.

[Approved by Governor August 27, 1977. Filed with Secretary of State August 27, 1977.]

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

SECTION 1. Article 4 (commencing with Section 84400) is added to Chapter 4 of Title 9 of the Governement Code, to read:

Article 4. Exemptions

84400. Notwithstanding any other provision of the law, the commission shall have no power to exempt any person, including any candidate or committee, from any of the requirements imposed by the provisions of this chapter.

SEC. 2. The Legislature finds and declares that the provisions of this act further the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of Section 81012 of the Government Code.

CHAPTER 404

An act to amend Sections 481, 481.1, 481.5, and 2010 of the Insurance Code, relating to insurance premiums.

[Approved by Governor August 27, 1977. Filed with Secretary of State August 27, 1977.]

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

SECTION 1. Section 481 of the Insurance Code is amended to read:

481. (a) Unless the insurance contract otherwise provides, a person insured is entitled to a return of premium if the policy is canceled, rejected, surrendered, or rescinded, as follows:

(1) To the whole premium, if the insurer has not been exposed to any risk of loss.

(2) Where the insurance is made for a definite period of time and the insured surrenders his policy, to such proportion of the premium as corresponds with the unexpired time, after deducting from the whole premium any claim for loss or damage under the policy which has previously accrued. The provisions of Section 482 apply only to the expired time.

(b) No contract for individual motor vehicle liability or homeowners' multiple-peril insurance may contain a provision

which mandates that the premium for such policy shall be fully earned upon the happening of any contingency except the expiration of the policy itself. This subdivision shall not apply to policy fees or membership fees.

(c) This section shall not apply to policies of ocean marine insurance. For purposes of this section, "ocean marine insurance" means insurance of vessels or crafts, their cargos, marine builders' risks, marine protection and indemnity, or other risks commonly insured under marine insurance governed by the provisions of Chapter 1 (commencing with Section 1880) of Part 1 of Division 2, and as distinguished from inland marine insurance policies.

SEC. 2. Section 481.1 of the Insurance Code is amended to read:

481.1. (a) In the event any conditional receipt, binder, or other evidence of temporary or implied insurance, except ocean marine insurance as defined in Section 481 and those classes of insurance as defined in Sections 101, 104, and 106, is canceled, rejected, or surrendered by the insurer, the coverage thereby extended shall terminate 10 days after written notice to the named insured is deposited, properly addressed with postage prepaid, with the United States Postal Service.

(b) Any conditional receipt, binder, or other evidence of temporary or implied insurance described in subdivision (a) shall remain in force for a period of at least 30 days from the date of its issuance unless sooner canceled, rejected, or surrendered pursuant to the provisions of subdivision (a).

SEC. 3. Section 481.5 of the Insurance Code is amended to read:

481.5. (a) Whenever an insurer rejects, declines, cancels, or surrenders a policy of insurance as defined in subdivision (a) of Section 660 or Section 675, or a policy of insurance as defined in subdivision (a) of Section 660 or Section 675 is canceled pursuant to Section 673, the unearned premium shall be tendered to the insured or to the person entitled thereto or to the insurance agent of record as the insurer's agent for transmittal within 30 days after the cessation of coverage due to cancellation, rejection, surrender, or rescission. Any unearned premium not tendered within the time specified above shall bear interest at the rate of 10 percent per annum from and after such 30 days. Such interest imposition shall not apply to any insurer in conservatorship or liquidation and shall constitute the sole penalty paid to the insured for a failure to refund an unearned premium.

(b) Whenever a policy is cancelled pursuant to Section 673, other than a policy as defined in subdivision (a) of Section 660 or Section 675, the unearned premium shall be tendered to the person entitled thereto or to the insurance agent of record as the insurer's agent for transmittal within 120 days after the cessation of coverage due to cancellation. Any unearned premium not tendered within the time specified above shall bear interest at the rate of 10 percent per annum from and after such 120 days. Such interest imposition shall not apply to any insurer in conservatorship or liquidation and shall

constitute the sole penalty paid to the insured for a failure to refund an unearned premium.

SEC. 4. Section 2010 of the Insurance Code is amended to read:

2010. The provisions of Sections 481, 800, 801, 802, 803, and 804 shall not apply to ocean marine insurance as defined in Section 481.

CHAPTER 405

An act to amend Sections 275 and 280 of, and to repeal Article 2.1 (commencing with Section 275) of Chapter 2 of Part 1 of Division 1 of, the Health and Safety Code, relating to infant medical dispatch centers, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 27, 1977. Filed with Secretary of State August 27, 1977.]

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

SECTION 1. Article 2.1 (commencing with Section 275) of Chapter 2 of Part 1 of Division 1 of the Health and Safety Code is repealed.

SEC. 2. Section 275 of the Health and Safety Code is amended to read:

275. The Legislature finds that intensive care nurseries for at-risk infants are often at capacity. It further finds that serious delays can occur in placing critically ill newborn infants in intensive care nurseries due to calls being placed to many hospitals. Additionally, valuable staff time is often taken by a capacity nursery in attempting to find another nursery with an available bed. It is further found that, due to the lack of a centralized dispatch system, at-risk infants are often not placed in the intensive care nursery nearest their homes.

Therefore, the Legislature finds that in order to protect the health of critically ill newborn children and to more efficiently utilize space and staff in intensive care nurseries it is necessary to establish 24-hour-a-day, year-round medical dispatch centers linking all hospitals providing obstetrical services with intensive care nurseries.

SEC. 3. Section 280 of the Health and Safety Code is amended to read:

280. The Legislative Analyst shall submit to the Legislature an evaluation of the two centers on or before January 1, 1978, and annually thereafter.

SEC. 4. The sum of seventy-five thousand dollars ($75,000) is hereby appropriated from the General Fund to the State Department of Health for expenditure during the 1977–78 fiscal year for operating medical dispatch centers under Section 275 of the Health and Safety Code. The funds appropriated pursuant to this act shall be in addition to and shall not replace any funds appropriated

in the Budget Act of 1977 for the purposes of Section 275 of the Health and Safety Code.

SEC. 5. Section 1 of this act shall become operative July 1, 1978, and shall have no force or effect prior to July 1, 1978. Sections 2 and 3 of this act shall only remain operative until July 1, 1978, and shall have no force or effect after July 1, 1978.

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

In order for infant medical dispatch centers to continue to provide services essential to the public health, it is necessary that this act take immediate effect.

CHAPTER 406

An act to amend Sections 39831, 39832, and 39833 of the Education Code, and to amend Sections 39830 and 82321 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, and to amend Sections 545, 492, 2807.2, 2808, 9102.5, 27603, 34500, 34506, and 40000.21 of, and to add Sections 34501.5, 34506.3, and 34508 to, the Vehicle Code, relating to schoolbuses, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 27, 1977 Filed with Secretary of State August 27, 1977.]

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

SECTION 1. Section 39830 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

39830. A schoolbus is defined as any motor vehicle while being used for the transportation of any school pupil at or below the 12th-grade level to and from a public or private school or to and from public or private school activities, except the following:

(a) A passenger vehicle designed for and when actually carrying not more than eight persons, including the driver, or a motortruck transporting pupils who are seated only in the passenger compartment, except any such vehicle or truck transporting two or more handicapped pupils confined to wheelchairs.

(b) A 9-passenger or 10-passenger station wagon when used for the transportation of not more than eight pupils and the driver, other than the regular transportation of pupils to and from a public or private school or the transportation of mentally retarded or physically handicapped pupils.

(c) A motor vehicle of any type carrying only members of the household of the owner thereof.

(d) A motor vehicle operated by a common carrier, or by and under exclusive jurisdiction of a publicly owned transit system, at the time it is on a scheduled run and is available to the general public.

(e) A motor vehicle operated by a common carrier, or by and under the exclusive jurisdiction of a publicly owned transit system, or by a passenger charter-party carrier and used under a contractual agreement to transport pupils to and from school activities but not used regularly to transport pupils to and from a public or private school.

Notwithstanding any other provisions of this section, the governing board of a district maintaining a community college may, by resolution, designate any motor vehicle operated by or for the district, a schoolbus within the meaning of this section, while it is being used for the transportation of any community college students to and from a public community college or to and from public community college activities. The designation shall not be effective until written notification thereof has been filed with the Department of the California Highway Patrol.

A vehicle defined as a "schoolbus" or exempt under subdivision (d) or (e) which is occupied, aside from the driver, exclusively by school pupils or exclusively by school pupils and persons accompanying them for supervisory purposes, to which the use by the general public is prohibited by the carrier under a contract or agreement with the school and which is being operated to transport pupils to and from a public or private school activity, shall be driven by a driver who possesses a valid California schoolbus driver's certificate as provided for pursuant to regulations adopted by the Department of the California Highway Patrol. Such regulations, however, shall not require drivers who operate such vehicles to duplicate training or schooling that they have otherwise received which is equivalent to that required pursuant to such regulations, nor shall such regulations require drivers who operate such vehicles to take training in first aid: provided, a valid California schoolbus driver's certificate shall not entitle the bearer to drive any other vehicle than that specified in this subdivision, and such driver's certificate shall distinguish drivers who have received a schoolbus driver's certificate pursuant to such regulations.

SEC. 2. Section 39831 of the Education Code is amended to read:

39831. The State Board of Education shall adopt reasonable regulations relating to the use of schoolbuses by school districts and others. Such regulations shall not include the safe operation of schoolbuses which shall be adopted by the Department of the California Highway Patrol pursuant to Section 34500 of the Vehicle Code.

SEC. 3. Section 39832 of the Education Code is amended to read:

39832. The name or names of the particular school or schools to which a schoolbus conveys pupils may be painted on the side of such bus, in the manner prescribed by the Department of the California Highway Patrol.

SEC. 4. Section 39833 of the Education Code is amended to read:

39833. Any officer, agent, or employee of a school district, or any other person knowingly operating, or permitting or directing the operation of a schoolbus in violation of any regulation or order of the Department of the California Highway Patrol, and any person knowingly operating a school bus without possessing the qualifications required by the Department of the California Highway Patrol for schoolbus operators, is guilty of a misdemeanor.

SEC. 5. Section 82321 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

82321. A schoolbus is defined as any motor vehicle while being used for the transportation of any school pupil at or below the 12th-grade level to and from a public or private school or to and from public or private school activities, except the following:

(a) A passenger vehicle designed for and when actually carrying not more than eight persons, including the driver, or a motortruck transporting pupils who are seated only in the passenger compartment, except any such vehicle or truck transporting two or more handicapped pupils confined to wheelchairs.

(b) A 9-passenger or 10-passenger station wagon when used for the transportation of not more than eight pupils and the driver, other than the regular transportation of pupils to and from a public or private school or the transportation of mentally retarded or physically handicapped pupils.

(c) A motor vehicle of any type carrying only members of the household of the owner thereof.

(d) A motor vehicle operated by a common carrier, or by and under exclusive jurisdiction of a publicly owned transit system, at the time it is on a scheduled run and is available to the general public.

(e) A motor vehicle operated by a common carrier, or by and under the exclusive jurisdiction of a publicly owned transit system, or by a passenger charter-party carrier and used under a contractual agreement to transport pupils to and from school activities but not used regularly to transport pupils to and from a public or private school.

Notwithstanding any other provisions of this section, the governing board of a district maintaining a community college may, by resolution, designate any motor vehicle operated by or for the district, a schoolbus within the meaning of this section, while it is being used for the transportation of any community college students to and from a public community college or to and from public community college activities. The designation shall not be effective until written notification thereof has been filed with the Department of the California Highway Patrol.

A vehicle defined as a "schoolbus" or exempt under subdivision (d) or (e) which is occupied, aside from the driver, exclusively by school pupils or exclusively by school pupils and persons accompanying them for supervisory purposes, to which the use by the general public is prohibited by the carrier under a contract or

agreement with the school and which is being operated to transport pupils to and from a public or private school activity, shall be driven by a driver who possesses a valid California schoolbus driver's certificate as provided for pursuant to regulations adopted by the Department of the California Highway Patrol. Such regulations, however, shall not require drivers who operate such vehicles to duplicate training or schooling that they have otherwise received which is equivalent to that required pursuant to such regulations, nor shall such regulations require drivers who operate such vehicles to take training in first aid; provided, a valid California schoolbus driver's certificate shall not entitle the bearer to drive any other vehicle than that specified in this subdivision, and such driver's certificate shall distinguish drivers who have received a schoolbus driver's certificate pursuant to such regulations.

SEC. 6. Section 492 of the Vehicle Code is amended to read:

492. A "private school" is any school, whether conducted for profit or not, giving a course of training similar to that given in a public school at or below the twelfth grade, including but not limited to schools owned or operated by any church.

SEC. 7. Section 545 of the Vehicle Code is amended to read:

545. A "schoolbus" is defined as any motor vehicle while being used for the transportation of any school pupil at or below the 12th-grade level to and from a public or private school or to and from public or private school activities, except the following:

(a) A passenger vehicle designed for and when actually carrying not more than eight persons, including the driver, or a motortruck transporting pupils who are seated only in the passenger compartment, except any such vehicle or truck transporting two or more handicapped pupils confined to wheelchairs.

(b) A 9-passenger or 10-passenger station wagon when used for the transportation of not more than eight pupils and the driver, other than the regular transportation of pupils to and from a public or private school or the transportation of mentally retarded or physically handicapped pupils.

(c) A motor vehicle of any type carrying only members of the household of the owner thereof.

(d) A motor vehicle operated by a common carrier, or by and under the exclusive jurisdiction of a publicly owned transit system, at the time it is on a scheduled run and is available to the general public.

(e) A motor vehicle operated by a common carrier, or by and under the exclusive jurisdiction of a publicly owned transit system, or by a passenger charter-party carrier and used under a contractual agreement to transport pupils to and from school activities but not used regularly to transport pupils to and from a public or private school.

(f) Notwithstanding any other provisions of this section, the governing board of a district maintaining a community college may, by resolution, designate any motor vehicle operated by or for the

district, a schoolbus within the meaning of this section, while it is being used for the transportation of any community college students to and from a public community college or to and from public community college activities. The designation shall not be effective until written notification thereof has been filed with the Department of the California Highway Patrol.

A vehicle defined as a "schoolbus" or exempt under subdivision (d) or (e) which is occupied, aside from the driver, exclusively by school pupils or exclusively by school pupils and persons accompanying them for supervisory purposes, to which the use by the general public is prohibited by the carrier under a contract or agreement with the school and which is being operated to transport pupils to and from a public or private school activity, shall be driven by a driver who possesses a valid California schoolbus driver's certificate as provided for pursuant to regulations adopted by the Department of the California Highway Patrol. Such regulations, however, shall not require drivers who operate such vehicles to duplicate training or schooling that they have otherwise received which is equivalent to that required pursuant to such regulations, nor shall such regulations require drivers who operate such vehicles to take training in first aid; provided, a valid California schoolbus driver's certificate shall not entitle the bearer to drive any other vehicle than that specified in this subdivision, and such driver's certificate shall distinguish drivers who have received a schoolbus driver's certificate pursuant to such regulations.

SEC. 8. Section 2807.2 of the Vehicle Code is amended to read:

2807.2. The Department of the California Highway Patrol, by regulation, shall provide for a preventive maintenance inspection guide for weekly use by operators of motor vehicles specified in Sections 2807 and 2807.1. The regulations shall provide that such record of inspection shall be signed by the person making such inspection, and the record of such inspections shall be retained on file by the operator for review and inspection by the Department of the California Highway Patrol.

SEC. 8.5. Section 2808 of the Vehicle Code is amended to read:

2808. (a) Except as provided in subdivision (b), all schoolbuses transporting pupils to or from any private school or private school activity shall be subject to the same statutes, rules, and regulations relating to construction, design, operation, equipment, and color as are now or hereafter applicable to schoolbuses transporting pupils to or from any public school or public school activity.

(b) Schoolbuses shall be exempt from such statutes, rules, and regulations relating to construction, design, safe operation, and equipment as the Commissioner of the California Highway Patrol shall determine necessary to permit such schoolbuses to continue in operation or when it appears that the results intended to be attained by such rules and regulations are being accomplished by the use of other methods. Such exemption shall be specified by rule or regulation of the commissioner. No such exemption shall be made

which in the opinion of the commissioner would jeopardize the safety of the pupils so transported.

SEC. 9. Section 9102.5 of the Vehicle Code is amended to read:

9102.5. (a) In lieu of all other fees which are specified in this code, except fees for duplicate plates, certificates, or cards, a fee of ten dollars ($10) shall be paid for the registration and licensing of any privately owned schoolbus, as defined in Section 545, which is either:

(1) Owned by a private nonprofit educational organization and operated in accordance with the rules and regulations of the Department of Education and the Department of California Highway Patrol exclusively in transporting school pupils, or school pupils and employees, of such private nonprofit educational organization, or

(2) Operated in accordance with the rules and regulations of the Department of Education and the Department of California Highway Patrol exclusively in transporting school pupils, or school pupils and employees, of any public school or private nonprofit educational organization pursuant to a contract between a public school district or nonprofit educational organization and the owner or operator of the schoolbus.

This section shall not, however, be applicable to any schoolbus which is operated pursuant to any contract which requires the public school district or nonprofit educational organization to pay any amount representing the costs of registration and weight fees unless and until the contract is amended to require only the payment of an amount representing the fee required by this section.

(b) When a schoolbus under contract and registered pursuant to subdivision (a) of this section is temporarily operated in such a manner that it becomes subject to full registration fees specified in this code, the owner may, as an alternative to such full registration, secure a temporary permit to operate the vehicle in this state for any three consecutive calendar months. Such permit shall be posted upon the windshield or other prominent place upon the vehicle, and shall identify the vehicle to which it is affixed. When so affixed, such permit shall serve as indicia of full registration for the period designated thereon. Upon payment of the fees specified in Section 9266.5, the department may issue a temporary permit under this section.

SEC. 10. Section 27603 of the Vehicle Code is amended to read:

27603. When a motor vehicle formerly used as a schoolbus is sold to any person and is used exclusively for purposes other than the transportation of pupils pursuant to Article 2 (commencing with Section 16851) of Chapter 1 of Division 13 of the Education Code, it shall be painted by the purchaser a color different than that prescribed by the Department of the California Highway Patrol for schoolbuses before it is operated on any street or highway other than to have the vehicle painted or moved to a place of storage.

The provisions of this section shall not apply where the ownership of a schoolbus is transferred to a nonprofit organization under a

contractual arrangement under which the ownership is required to be retransferred to the original owner within 90 days of the date of the original transfer.

SEC. 11. Section 34500 of the Vehicle Code is amended to read:

34500. The Department of the California Highway Patrol shall regulate the safe operation of the following vehicles:

(a) Motortrucks of three or more axles.

(b) Truck tractors.

(c) Buses and schoolbuses.

(d) Trailers, semitrailers, pole or pipe dollies, auxiliary dollies, and logging dollies used in combination with (a), (b), or (c) above.

(e) Any combination of a two-axle truck and any vehicle or vehicles set forth in (d) above, exceeding 40 feet in length when coupled together.

(f) Any truck, or any combination of truck and any other vehicle, transporting materials defined and classified as hazardous by the United States Department of Transportation (49CFR, Parts 172 and 173), unless the transportation of such materials is subject to other provisions of this code.

(g) Trailer coaches which, when moved upon the highway, are required to be moved under a permit as specified in Section 35780 or 35790.

SEC. 11.5. Section 34501.5 is added to the Vehicle Code, to read:

34501.5. The Department of the California Highway Patrol shall adopt reasonable rules and regulations which, in the judgment of the department, are designed to promote the safe operation of vehicles described in Sections 39830 and 82321 of the Education Code and Sections 545 and 34500 of the Vehicle Code. The Commissioner of the Department of the California Highway Patrol shall appoint a committee of nine members to act in an advisory capacity when developing and adopting regulations affecting schoolbuses and schoolbus operations. The advisory member committee shall consist of nine members appointed as follows:

(a) One member of the Department of Education.

(b) One member of the Department of Motor Vehicles.

(c) One member of the Department of the California Highway Patrol.

(d) One member who is employed as a schoolbus driver.

(e) One member of the Office of Traffic Safety in the Business and Transportation Agency.

(f) Two members who are schoolbus contractors, one which shall be from an urban area of the state and one which shall be from a rural area of the state as determined by the department.

(g) Two members who are representatives of school districts, one which shall be from an urban area of the state and one which shall be from a rural area of the state as determined by the department.

The department shall cooperate and confer with the advisory committee appointed pursuant to this section prior to adopting rules or regulations affecting schoolbuses and schoolbus operations.

SEC. 12. Section 34506 of the Vehicle Code is amended to read:

34506. It is a misdemeanor to fail to comply with any rule or regulation adopted by the Department of the California Highway Patrol pursuant to Sections 34501 and 34508 regarding:

(a) Hours of service of drivers.

(b) Hazardous materials transportation.

(c) Schoolbus constructions, design, color, equipment, maintenance, or operation.

SEC. 12.5. Section 34506.3 is added to the Vehicle Code, to read:

34506.3. Except as provided by Section 34506, it is unlawful to fail to comply with any rule or regulation adopted by the Department of the California Highway Patrol pursuant to Section 34501.

SEC. 13. Section 34508 is added to the Vehicle Code, to read:

34508. The Department of the California Highway Patrol shall adopt and enforce rules and regulations relating to the equipment, construction, design, and color of schoolbuses.

SEC. 14. Section 40000.21 of the Vehicle Code is amended to read:

40000.21. A violation of any of the following provisions shall constitute a misdemeanor, and not an infraction:

(a) Section 34506, subdivision (a), relating to the hours of service of drivers.

(b) Section 34506, subdivision (b), relating to the transportation of hazardous materials.

(c) Section 34506, subdivision (c), relating to schoolbuses.

SEC. 15. There is hereby appropriated from the General Fund the sum of thirty-two thousand dollars ($32,000) to the Department of the California Highway Patrol for expenditure for the purposes of carrying out the provisions of this act.

SEC. 16. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that the safety of schoolbuses may be more adequately maintained, at the earliest possible time, to insure the safest vehicles possible for California's school pupils, it is essential that this act take effect immediately.

CHAPTER 407

An act to amend Sections 2376.5 of, and to repeal and add Section 4360 to, the Business and Professions Code, relating to healing arts.

[Approved by Governor August 27, 1977. Filed with Secretary of State August 27, 1977.]

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

SECTION 1. Section 2376.5 of the Business and Professions Code is amended to read:

2376.5. A person, whose certificate has been revoked or suspended for more than one year, may petition the Division of Medical Quality to reinstate the certificate after a period of not less than one year has elapsed from the date of the revocation or suspension.

The petition shall state such facts as may be required by the Division of Medical Quality. The petition shall be accompanied by two or more verified recommendations from physicians and surgeons licensed by the Division of Licensing to which the petition is addressed and by two or more recommendations from citizens each having personal knowledge of the activities of the petitioner since the disciplinary penalty was imposed. The petition shall be heard at the next regular meeting of the Division of Medical Quality, held not earlier than 30 days after the petition was filed. The hearing may be continued from time to time as the Division of Medical Quality finds necessary. No petition shall be considered while the petitioner is under sentence for any criminal offense, including any period during which he is on probation or parole.

In determining whether the disciplinary penalty should be set aside and the terms and conditions, if any, which should be imposed if the disciplinary penalty is set aside, the Division of Medical Quality may investigate and consider all activities of the petitioner since the disciplinary action was taken against him, the offense for which he was disciplined, his activity during the time his certificate was in good standing, his general reputation for truth, professional ability and good character, and may require the petitioner to pass an oral or written examination, or both, at the option of the Division of Medical Quality. The affirmative vote of at least five of the members of the Division of Medical Quality is necessary to set aside a penalty and to restore a certificate with or without terms, conditions and restrictions. The affirmative vote of at least three of the members of the Board of Osteopathic Examiners is necessary to set aside a penalty and to restore a certificate with or without terms, conditions, and restrictions. The Division of Medical Quality may deny without a hearing or argument any petition filed pursuant to this section where the petitioner has been afforded a hearing upon any petition filed pursuant to this section within a period of one year immediately preceding the filing of such petition.

The secretary-treasurer of the Division of Medical Quality shall enter in his records of the case all actions of the division in setting aside a disciplinary penalty under this section and he shall certify notices to the proper county clerk. The county clerk shall make such changes on his records as may be necessary.

SEC. 2. Section 4360 of the Business and Professions Code, as amended by Section 58 of Chapter 716 of the Statutes of 1971, is repealed.

SEC. 3. Section 4360 is added to the Business and Professions Code, to read:

4360. A person whose certificate, license, permit, registration or exemption has been revoked or suspended for more than one year, may petition the board to reinstate the certificate, license, permit, registration or exemption after a period of not less than one year has elapsed from the date of the revocation or suspension.

The petition shall state such facts as may be required by the board. The petition shall be accompanied by two or more verified recommendations from holders of certificates, licenses, permits, registrations or exemptions issued by the board to which the petition is addressed and by two or more recommendations from citizens each having personal knowledge of the activities of the petitioner since the disciplinary penalty was imposed. The petition shall be heard at the next regular meeting of the board, held not earlier than 30 days after the petition was filed. The hearing may be continued from time to time as the board finds necessary. No petition shall be considered while the petitioner is under sentence for any criminal offense, including any period during which he is on probation or parole.

In determining whether the disciplinary penalty should be set aside and the terms and conditions, if any, which should be imposed if the disciplinary penalty is set aside, the board may investigate and consider all activities of the petitioner since the disciplinary action was taken against him, the offense for which he was disciplined, his activity during the time his certificate, license, permit, registration or exemption was in good standing, and his general reputation for truth, professional ability and good character. The affirmative vote of at least five members of the board is necessary to set aside a penalty and to restore a certificate, license, permit, registration or exemption with or without terms, conditions and restrictions. The board may deny without a hearing or argument any petition filed pursuant to this section where the petitioner has been afforded a hearing upon any petition filed pursuant to this section within a period of one year immediately preceding the filing of such petition.

The executive secretary shall enter in his records of the case all actions of the board in setting aside a disciplinary penalty under this section, and he shall certify notices to the State Department of Consumer Affairs. The State Department of Consumer Affairs shall make such changes on its records as may be necessary.

CHAPTER 408

An act to amend Section 6550.5 of, and to add Section 6537.4 to, the Business and Professions Code, relating to barbers.

[Approved by Governor August 27, 1977 Filed with Secretary of State August 27, 1977.]

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

SECTION 1. Section 6537.4 is added to the Business and Professions Code, to read:

6537.4. With the approval of the board and in compliance with such regulations as the board may adopt, a licensed barber college may establish a 400-hour instructor training program for persons registered by the board as barbers.

SEC. 2. Section 6550.5 of the Business and Professions Code is amended to read:

6550.5. The board shall issue a certificate of registration as an instructor in a barber college to a person who complies with all of the following:

(a) Files an application with the board in such form as it may prescribe, accompanied by the examination fee.

(b) Is not subject to denial pursuant to Section 480.

(c) Holds a valid certificate as a registered barber in this state and has one of the following:

(1) Has had two years experience in this state as a registered barber.

(2) Has had at least two years' experience as a registered barber in another state or country whose requirements for licensing barbers are substantially equivalent to those in this state.

(3) Has affidavits from at least two persons stating that he has had at least four years' practice as a barber in another state or country whose requirements for licensing barbers are not substantially equivalent to those in this state.

(4) Is a registered barber and has completed an approved 400-hour instructor training program within a 6-month period in a barber college.

(d) Successfully passes a written and oral examination on the theory of barbering.

(e) Has completed the 12th grade or the equivalent thereof as determined by an examination conducted by an examining agency approved by the board.

(f) Has paid the certificate fee required by this chapter.

The amendments made to this section at the 1961 Regular Session of the Legislature shall not apply to any person who holds a certificate of registration as an instructor in a barber college on the effective date of the amendments to this section.

SEC. 3. Section 6550.5 of the Business and Professions Code is amended to read:

6550.5. The board shall issue a certificate of registration as an instructor in a barber college to a person who complies with all of the following:

(a) Files an application with the board in such form as it may prescribe, accompanied by the application and examination fees.

(b) Is not subject to denial pursuant to Section 480.

(c) Holds a valid certificate as a registered barber in this state and has one of the following:

(1) Has had two years experience in this state as a registered

barber.

(2) Has had at least two years experience as a registered barber in another state or country whose requirements for licensing barbers are substantially equivalent to those in this state.

(3) Has affidavits from at least two persons stating that he has had at least four years practice as a barber in another state or country whose requirements for licensing barbers are not substantially equivalent to those in this state.

(4) Is a registered barber and has completed an approved 400-hour instructor training program within a six-month period in a barber college.

(d) Successfully passes a written and oral examination on the theory of barbering.

(e) Has completed the 12th grade or the equivalent thereof as determined by an examination conducted by an examining agency approved by the board.

(f) Has paid the certificate fee required by this chapter.

The amendments made to this section at the 1961 Regular Session of the Legislature shall not apply to any person who holds a certificate of registration as an instructor in a barber college on the effective date of the amendments to this section.

SEC. 4. It is the intent of the Legislature, if this bill and Senate Bill No. 548 are both chaptered and amend Section 6550.5 of the Business and Professions Code, and this bill is chaptered after Senate Bill No. 548, that the amendments to Section 6550.5 proposed by both bills be given effect and incorporated in Section 6550.5 in the form set forth in Section 3 of this act. Therefore, Section 3 of this act shall become operative only if this bill and Senate Bill No. 548 are both chaptered, both amend Section 6550.5, and Senate Bill No. 548 is chaptered before this bill, in which case Section 2 of this act shall not become operative.

CHAPTER 409

An act to amend Sections 395 and 396 of the Fish and Game Code, relating to fish and game, and making an appropriation therefor.

[Approved by Governor August 27, 1977. Filed with Secretary of State August 27, 1977.]

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

SECTION 1. Section 395 of the Fish and Game Code is amended to read:

395. The commission may adopt regulations for the possession or training of any bird in the orders Falconiformes and Strigiformes (birds-of-prey) used in the practice of falconry and may authorize the issuance and revocation for convictions of violations of this article

of licenses to persons for the practice of falconry. It is unlawful to possess or train any bird in the orders Falconiformes and Strigiformes (birds-of-prey) in the practice of falconry except under such a license.

SEC. 2. Section 396 of the Fish and Game Code is amended to read:

396. The fee for a falconry license is twenty-five dollars ($25) per fiscal year beginning July 1, or any part thereof, except that upon the filing of an affidavit showing the loss or destruction of an unexpired falconry license and the payment of a fee of five dollars ($5), a duplicate license may be issued for the remainder of the license period.

CHAPTER 410

An act to add Article 9 (commencing with Section 700) to Chapter 1 of Division 2 of the Business and Professions Code, relating to the healing arts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 27, 1977. Filed with Secretary of State August 27, 1977.]

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

SECTION 1. Article 9 (commencing with Section 700) is added to Chapter 1 of Division 2 of the Business and Professions Code, to read:

Article 9. Inactive License

700. It is the intent of the Legislature to establish in this article an inactive category of health professionals' licensure. Such inactive licenses or certificates are intended to allow a person who has a license or certificate in one of the healing arts, but who is not actively engaged in the practice of his or her profession, to maintain licensure or certification in a nonpracticing status.

701. Each healing arts board referred to in this division shall issue, upon application and payment of the normal renewal fee, an inactive license or certificate to a current holder of an active license or certificate whose license or certificate is not suspended, revoked, or otherwise punitively restricted by that board.

As used in this article, "board" refers to any healing arts board, division, or examining committee which licenses or certifies health professionals.

702. The holder of an inactive healing arts license or certificate issued pursuant to this article shall not engage in any activity for which an active license or certificate is required.

703. An inactive healing arts license or certificate issued pursuant

to this article shall be renewed during the same time period at which an active license or certificate is renewed. In order to renew a license or certificate issued pursuant to this article, the holder thereof need not comply with any continuing education requirement for renewal of an active license or certificate.

The renewal fee for a license or certificate in an active status shall apply also for renewal of a license or certificate in an inactive status.

704. In order for the holder of an inactive license or certificate issued pursuant to this article to restore his or her license or certificate to an active status, the holder of an inactive license or certificate shall comply with all the following:

(a) Pay the renewal fee.

(b) If the board requires completion of continuing education for renewers of an active license or certificate, complete continuing education equivalent to that required for a single license renewal period.

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

Current healing arts license holders who would be granted inactive licenses under this act would be required to obtain costly and, for themselves, unnecessary continuing clinical education courses if they renew their licenses before January 1, 1978. Additionally, the administration of continuing education accreditation and license verification imposes a substantial and costly burden on the healing arts boards. In order for the boards to efficiently administer such programs, the healing arts boards will need to know as soon as possible which license holders will be exempted from such programs.

CHAPTER 411

An act to repeal Section 2381 of the Business and Professions Code, relating to the practice of medicine.

[Approved by Governor August 27, 1977. Filed with Secretary of State August 27, 1977.]

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

SECTION 1. Section 2381 of the Business and Professions Code is repealed.

CHAPTER 412

An act to add Section 66412.5 to the Government Code, relating to subdivisions.

[Approved by Governor August 27, 1977. Filed with Secretary of State August 27, 1977.]

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

SECTION 1. Section 66412.5 is added to the Government Code, to read:

66412.5. When so provided by local ordinance, this division shall be inapplicable to subdivisions of four parcels or less for construction of removable commercial buildings having a floor area of less than 100 square feet.

CHAPTER 413

An act to add Section 5006.47 to the Public Resources Code, relating to parks and recreation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 27, 1977. Filed with Secretary of State August 27, 1977.]

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

SECTION 1. Section 5006.47 is added to the Public Resources Code, to read:

5006.47. (a) Notwithstanding any other provision of law, the Director of General Services may acquire, on behalf of the state, a fee or lesser right or interest in such real and personal property in the Counties of Los Angeles and Ventura located in the vicinity of Gorman and commonly known as Hungry Valley as is designated in writing by the Director of Parks and Recreation to the Director of General Services. If such property is leased, the lease shall be for such term and for such consideration as is mutually agreed upon by and between the Director of General Services and the lessor, and consented to by the Director of Parks and Recreation, and with rent to be paid by the Department of Parks and Recreation.

(b) Any interest in property acquired pursuant to this section shall be subject to the provisions of the Property Acquisition Law (Part 11 (commencing with Section 15850) of Division 3 of Title 2 of the Government Code).

(c) Upon acquisition of the property, the Director of General Services shall transfer jurisdiction over the property to the Department of Parks and Recreation, which shall administer the property as a unit of the state park system. The department shall

carry out a program in such unit of planning, development, construction, maintenance, administration, and conservation of trails and areas for the recreational use of off-highway vehicles and for other related purposes of the state park system. Areas for the recreational use of off-highway vehicles shall be administered pursuant to paragraph (3) of subdivision (d) of Section 5001.5.

(d) If the Director of General Services determines that it is necessary, in order to purchase the property, to offer to the person from whom it is being purchased an option to lease back all or part of such property, the director may make such an offer if the Director of Parks and Recreation determines at the time of the purchase that the property is not then needed for the purposes of the state park system and will not be needed for the term of the lease thus offered. At any time after the option expires, the Director of General Services may offer all or part of such property for lease if the Director of Parks and Recreation determines at that time it is not then needed for the purposes of the state park system and will not be needed for the term of the lease to be offered. Any lease entered into pursuant to this section shall be subject to Section 15862 of the Government Code. Notwithstanding the provisions of Section 15863 of the Government Code, all rent accruing from any such lease after jurisdiction over the property is transferred to the Department of Parks and Recreation pursuant to subdivision (c) shall be paid into the State Treasury to the credit of the Off-Highway Vehicle Fund and shall be available for expenditure only for the purposes specified in subdivision (b) of Section 38270 of the Vehicle Code.

(e) Any fees or other returns collected by the department in its administration of such unit shall be paid into the State Treasury to the credit of the Off-Highway Vehicle Fund and shall be available for expenditure only for the purposes specified in subdivision (b) of Section 38270 of the Vehicle Code.

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

Certain lands of unique recreational value are presently being used by the public solely by permission of the private owners, who, however, are unable to provide for the safety of persons using their lands and to supervise the use of those lands so as to preserve their recreational value. Therefore, in order that public use of the lands may continue, it is necessary that this act take effect immediately.

CHAPTER 414

An act to add Section 214.6 to the Revenue and Taxation Code, relating to property taxation.

[Approved by Governor August 27, 1977. Filed with Secretary of State August 27, 1977.]

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

SECTION 1. Section 214.6 is added to the Revenue and Taxation Code, to read:

214.6. Property which is owned by an organization meeting the requirements of subdivision (b) of Section 4 of Article XIII of the State Constitution and complying with the requirements of subdivisions (1) to (7), inclusive, of Section 214 and which is leased to an exempt governmental entity for the purpose of conducting an activity which if conducted by the owner would qualify the property for an exemption shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 of Article XIII of the State Constitution if:

(1) The total income received by the organization in the form of rents, fees or charges from such lease does not exceed the ordinary and usual expenses in maintaining and operating the leased property; and

(2) The property is located within the boundaries of the exempt governmental entity leasing the same.

SEC. 2. Notwithstanding Section 2229 of the Revenue and Taxation Code, there shall be no reimbursement or appropriation pursuant to that section because this act is in accordance with the request of a local government entity or entities which desire the exemption of property specified in this act.

CHAPTER 415

An act to amend Section 31580.3 of the Government Code, relating to the County Employees Retirement Law of 1937.

[Approved by Governor August 27, 1977. Filed with Secretary of State August 27, 1977.]

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

SECTION 1. Section 31580.3 of the Government Code is amended to read:

31580.3. In any county of the second class as established in Section 28023 or of the fourth class as established in Section 28025, the charge against the earnings of the retirement fund for the expense of administration of the retirement system shall not exceed

eighteen-hundreds of 1 percent of the total assets of the retirement system.

CHAPTER 416

An act to amend Section 7048 of the Business and Professions Code, relating to contractors.

[Approved by Governor August 27, 1977. Filed with Secretary of State August 27, 1977.]

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

SECTION 1. Section 7048 of the Business and Professions Code is amended to read:

7048. This chapter does not apply to any work or operation on one undertaking or project by one or more contracts, the aggregate contract price for which for labor, materials, and all other items, is less than two hundred dollars ($200), such work or operations being considered as of casual, minor or inconsequential nature.

This exemption does not apply in any case wherein the work of construction is only a part of a larger or major operation, whether undertaken by the same or a different contractor, or in which a division of the operation is made in contracts of amounts less than two hundred dollars ($200) for the purpose of evasion of this chapter or otherwise.

This exemption does not apply to a person who advertises or puts out any sign or card or other device which might indicate to the public that he is a contractor or that he is qualified to engage in the business of contractor.

CHAPTER 417

An act to amend Section 1523 of the Health and Safety Code, relating to community care facilities, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 27, 1977. Filed with Secretary of State August 27, 1977.]

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

SECTION 1. Section 1523 of the Health and Safety Code is amended to read:

1523. Each application for issuance or renewal of a license or special permit submitted to the state department pursuant to this

chapter shall be accompanied by a fee of twenty-five dollars ($25) for a license or special permit to be operative for 12 months, or fifty dollars ($50) for a license or special permit to be issued for a period exceeding 12 months. The director shall adopt by regulation procedures for reduction or waiver of the payments of fees for a license or special permit for community care facilities in any category of licensure when the director determines that imposition of the fees which would otherwise be required by this chapter would cause undue financial hardship, or reduce the availability of sufficient facilities for placement of the persons involved, with respect to a substantial number of community care facilities within such category of licensure.

Residential facilities and day care centers which are family homes licensed to provide care for six or fewer persons, exclusive of members of the household, shall not be required to pay any fee for application for, or issuance of, a license or special permit pursuant to this chapter.

No local jurisdiction shall impose any business license, fee, or tax for the privilege of operating a facility licensed under this chapter which serves six or fewer persons.

The director shall make an annual assessment of the effect that the imposition of fees has on the availability of facilities to meet the needs of each community, and shall include a report of that assessment in the annual report to the Legislature.

SEC. 2. The sum of five hundred forty-five thousand dollars ($545,000) is hereby appropriated from the General Fund to the State Department of Health for expenditure during the 1977–78 fiscal year for the purpose of administering the California Community Care Facilities Act (Chapter 3 (commencing with Section 1500), Division 2, Health and Safety Code) in augmentation of Item 241.2 of the Budget Act of 1977 (Chapter 219, Statutes of 1977). It is the intent of the Legislature in making this appropriation to replace moneys not included in Item 241.2 of the Budget Act of 1977 in anticipation of the reduction of revenues which will occur during the 1977–78 fiscal year as a result of the changes in the law made by this act.

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

In order for community care licensing fees to be established which will not cause undue financial hardship and will not reduce the availability of sufficient facilities for placement of mentally and developmentally disabled persons and be effective early in the 1977–78 fiscal year, it is necessary for this act to take effect immediately.

CHAPTER 418

An act to amend Section 2525.12 of the Business and Professions Code, relating to podiatry.

[Approved by Governor August 27, 1977. Filed with Secretary of State August 27, 1977]

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

SECTION 1. Section 2525.12 of the Business and Professions Code is amended to read:

2525.12. (a) Every certificate to practice podiatric medicine may be suspended or revoked. The Division of Allied Health Professions shall refuse a certificate to any applicant guilty of unprofessional conduct. All grounds for the denial, suspension or revocation of a physicians and surgeon's certificate shall constitute grounds for denial, suspension or revocation of a certificate to practice podiatric medicine.

(b) The examining committee shall hear all matters assigned to it by the Division of Allied Health Professions, including but not limited to, any contested case or any petition for reinstatement, restoration or modification of probation. Except as otherwise provided in this chapter, all such hearings shall be conducted in accordance with the provisions of Chapter 5 (commencing with Section 11500), Part 1, Division 3, Title 2 of the Government Code. If a contested case is heard by the examining committee, the hearing officer who presided at the hearing shall be present during the committees consideration of the case and, if requested, shall assist and advise the committee.

(c) At the conclusion of the hearing, the examining committee shall prepare a proposed decision in such form that it may be adopted by the Division of Allied Health Professions as the decision in the case, and shall transmit it to the Division of Allied Health Professions. The proposed decision shall be subject to the same procedure as a proposed decision of a hearing officer under subdivisions (b) and (c) of Section 11517 of the Government Code.

SEC. 2. The Legislature recognizes that the Division of Allied Health Professions, in conjunction with the Podiatry Examining Committee, has authority to deny certificates to practice podiatry and to discipline the holders of such certificates. This act is merely a clarification of such authority and does not constitute a substantive change from existing law.

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CHAPTER 419

An act to amend Section 15061 of the Food and Agricultural Code, relating to grain inspection, and making an appropriation therefor.

[Approved by Governor August 27, 1977. Filed with Secretary of State August 27, 1977.]

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

SECTION 1. Section 15061 of the Food and Agricultural Code is amended to read:

15061. An inspection tonnage tax at the maximum rate of ten cents ($0.10) per ton of commercial feed sold, except whole grains, and whole hays when unmixed, shall be paid to the director by any person who distributes commercial feed to a consumer-buyer in this state.

The director may, based upon a finding and recommendation of the Feed Inspection Advisory Board, determine the specific rate necessary to provide the revenue needed to carry out the provisions of this chapter. The director and the Feed Inspection Advisory Board shall not exceed the maximum tonnage rate established by this section.

CHAPTER 420

An act to amend Section 33200 of the Health and Safety Code, relating to redevelopment, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 27, 1977. Filed with Secretary of State August 27, 1977.]

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

SECTION 1. Section 33200 of the Health and Safety Code is amended to read:

33200. (a) As an alternative to the appointment of five members of the agency, the legislative body may, at the time of the adoption of an ordinance pursuant to Section 33101 or 33140 of this part, or at any time thereafter by adoption of an ordinance, declare itself to be the agency; in which case, all the rights, powers, duties, privileges and immunities, vested by this part in an agency, except as otherwise provided in this article, shall be vested in the legislative body of the community.

However, in any community in San Bernardino County which is a charter city, the adoption of any order or resolution by the legislative body acting as the agency shall be governed by the same procedures as are set forth in the provisions of the charter, and the

mayor shall be the chairman of the agency, having the same power and authority in the conduct of the agency and the meetings of the legislative body acting as the agency, that the mayor has in the conduct of the affairs of the city, except that the mayor shall not have a veto power over any order or resolution of the agency.

As part of the legislative body's ordinance declaring itself to be the redevelopment agency pursuant to this subdivision, the legislative body shall make findings that such action will serve the public interest and promote the public safety and welfare in an effective manner.

(b) In the event an appointive agency has been designated and has been in existence for at least three years, the legislative body shall not adopt an ordinance declaring itself to be the agency without first conducting a public hearing on the proposed ordinance.

Notice of the public hearing required by this subdivision shall be published not less than once during the 10 calendar days immediately prior to the hearing in a newspaper of general circulation, printed and published in the community, or if there is none, in a newspaper selected by the legislative body. The notice of hearing shall include a general statement of the procedure and effect of the legislative body's declaring itself to be the agency. Copies of the notice shall be posted throughout the affected project area or areas at least 10 calendar days prior to the hearing. The legislative body shall also mail by first-class mail copies of the notice at least 10 calendar days prior to the hearing, to all persons who have expressed to the agency or the legislative body an interest in receiving information on redevelopment activities.

The legislative body shall cause the preparation of any report or reports or proposals, as are necessary to substantiate and explain the determination that the legislative body will declare itself the redevelopment agency, to be presented at the public hearing.

As part of the legislative body's ordinance declaring itself to be the redevelopment agency pursuant to this subdivision, the legislative body shall make findings that (1) such action will serve the public interest and promote the public safety and welfare in a more effective manner than the current organization, and (2) there has been full public disclosure of all reports and proposals relating to the legislative body's intent to declare itself the redevelopment agency.

SEC. 2. The Legislature hereby finds and declares that a special situation is presented in San Bernardino County which would cause uncertainty and disruption to the housing market, extensive litigation, and disruption of coordination of redevelopment plans in charter cities in San Bernardino County if not remedied by legislation. The Legislature further finds and declares that a general act cannot be made applicable to this special situation and that it is, therefore, necessary to enact this special act with respect to redevelopment in charter cities in San Bernardino County.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within

the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Uncertainty and disruption would occur in the housing market in charter cities in San Bernardino County if there is a delay in the taking of effect of this act. The act is necessary to assure coordinated redevelopment plans in charter cities in San Bernardino County and to prevent extensive litigation which would disrupt redevelopment programs for a lengthy time in charter cities in San Bernardino County. Redevelopment is vital to the economic and social welfare of charter cities in San Bernardino County.

CHAPTER 421

An act relating to the Fullerton Joint Union High School District, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 27, 1977 Filed with Secretary of State August 27, 1977]

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

SECTION 1. The Fullerton Joint Union High School District may continue to use school buildings located on school farms that are used in supporting the argricultural programs under the jurisdiction of the governing board of the district, and during the period of continued use, such buildings shall not be subject to any of the provisions of Article 3 (commencing with Section 39410) of Article 6 (commencing with Section 39210) of Chapter 2 of Part 23 of the Education Code.

SEC. 2. This act shall remain operative only until June 30, 1979, and as of such date is repealed

SEC. 3. Due to the unique circumstances relating to the repairs, reconstruction, or replacement of school buildings located on the school farms that are used in supporting the agricultural programs of the Fullerton Joint Union High School District, and the limited nature of the exemption provided for in Section 1 of this act, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the Constitution

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

The purpose of this act is to grant the Fullerton Joint Union High School District a reasonable extension, until June 30, 1979, to bring certain school buildings located on the school farms at La Habra High School, Sonora High School, and Sunny Hills High School up to earthquake safety standards prescribed by legislation that is

commonly known as the Field Act.

The Fullerton Joint Union High School District has already completed corrective measures regarding the school buildings at the school farms located at the district's two other high schools that offer agricultural programs. All of the district's school buildings other than those located on the farms at the three high schools in question comply with the earthquake standards that are specified in the legislation commonly known as the Field Act. In order to avoid interruption of the educational process, it necessary that this act go into immediate effect.

CHAPTER 422

An act relating to leased school buildings, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 27, 1977 Filed with Secretary of State August 27, 1977]

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

SECTION 1. Notwithstanding any other provision of the law to the contrary, a single story, wood frame, temporary use building leased by the governing board of a unified school district for the period August 19, 1974, to August 18, 1977, for the purpose of establishing and maintaining a continuation school for approximately 50 pupils, may be leased and utilized for such purpose for an additional period not beyond August 18, 1978, as a temporary use building not subject to the provisions of Article 3 (commencing with Section 39140) and Article 6 (commencing with Section 39210) of Chapter 2 of Part 23 of Division 3 of the Education Code, provided the State Allocation Board finds that the district has demonstrated its ability to provide a replacement facility conforming to standards established pursuant to the aforementioned Article 3 (commencing with Section 39140), which will be ready for occupancy by September 1, 1978.

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

The Las Virgenes Unified School District has been operating a continuation school for 50 pupils in a leased, single story, wood frame building since August 1974. Existing law permits the use of such temporary use leased building for a period of not to exceed three years without such building being required to meet the structural safety requirements of the so-called Field Act. The district is in the process of acquiring a site and establishing a new Field Act-conforming facility using portable classrooms. Under existing law the district cannot continue to operate the leased facility after

August 18, 1977, and the new facilities cannot be completed by this time.

SEC. 3. This act shall remain in effect only until August 19, 1978, and on that date is repealed.

CHAPTER 423

An act to amend Section 1773.2 of the Labor Code, relating to public works wages.

[Approved by Governor August 27, 1977 Filed with Secretary of State August 27, 1977]

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

SECTION 1. Section 1773.2 of the Labor Code is amended to read:

1773.2. The body awarding any contract for public work, or otherwise undertaking any public work, shall specify in the call for bids for the contract, and in the bid specifications and in the contract itself, what the general rate of per diem wages is for each craft, classification or type of workman needed to execute the contract.

In lieu of specifying the rate of wages in the call for bids, and in the bid specifications and in the contract itself, the awarding body may, in such call for bids, bid specifications, and contract, include a statement that copies of the prevailing rate of per diem wages are on file at its principal office, which shall be made available to any interested party on request. The awarding body shall also cause a copy of the determination of the director of the prevailing rate of per diem wages to be posted at each job site.

CHAPTER 424

An act to amend Sections 12701 and 12771 of the Business and Professions Code, relating to weighmasters, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 27, 1977 Filed with Secretary of State August 27, 1977]

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

SECTION 1 Section 12701 of the Business and Professions Code is amended to read

12701 The following shall not be construed to be public weighmasters:

(a) Retailers weighing or measuring commodities for sale by them in retail stores directly to consumers. The provisions of this

exemption shall not apply to persons, firms, or corporations weighing bulk lot commodities on vehicle or hopper scales, or selling such commodities by volume, when the purchaser is not present at the time the weight or measure determination is made.

(b) Producers of agricultural commodities or livestock, weighing commodities produced or purchased by them or by their producer neighbors, when no charge is made for such weighing, or no signed or initialed statement or memorandum is issued of the weight upon which a purchase or sale of the commodity is based; except that when such weight is to be used by a processor as a basis of payment there shall be no exception to the provisions of Section 12734.

(c) Common carriers issuing waybills or bills of lading on which are recorded, for the purpose of computing transportation charges, the weights of commodities offered for transportation, including carriers of household goods when transporting shipments weighing less than 1,000 pounds.

(d) Weighers licensed under the provisions of Section 35161 of the Food and Agricultural Code when performing the duties for which they are licensed.

(e) Employees of the department authorized to weigh agricultural products under the provisions of Chapter 8 (commencing with Section 12801) of Division 5, when performing the duties authorized thereby.

(f) Persons who measure the amount of oil, gas, or other fuels for purposes of royalty computation and payment, or other operations of fuel and oil companies and their retail outlets.

(g) Employees of newspaper publishers weighing or counting newspapers for sale to dealers or distributors.

(h) Textile maintenance establishments weighing, counting, or measuring any articles in connection with the business of such establishments.

(i) Employees of garbage and refuse disposal districts operating pursuant to Chapter 1.5 (commencing with Section 4170) of Part 2 of Division 5 of the Health and Safety Code and county sanitation districts operating pursuant to Chapter 3 (commencing with Section 4700) of Part 3 of Division 5 of the Health and Safety Code, which are authorized by their respective governing boards to utilize scales in determining charges for the disposal of liquid and solid wastes.

(j) Persons who purchase scrap metal or salvage materials pursuant to a nonprofit cycling program.

(k) Persons operating under a license issued pursuant to Section 11701 of the Food and Agricultural Code.

SEC. 2. Section 12771 of the Business and Professions Code is amended to read:

12771. The following shall not be construed to be a public weighmaster at large:

(a) Retailers weighing or measuring commodities for sale by them in retail stores directly to consumers.

(b) Producers of agricultural commodities or livestock weighing

commodities produced or purchased by them or by their producer neighbors, when no charge is made for such weighing, and no signed or initialed statement or memorandum is issued of the weight upon which a purchase or sale of the commodity is based.

(c) Common carriers issuing waybills or bills of lading on which are recorded, for the purpose of computing transportation charges, the weights of commodities offered for transportation, including carriers of household goods when transporting shipments weighing less than 1,000 pounds.

(d) Weighers licensed under the provisions of Section 35161 of the Food and Agricultural Code when performing the duties for which they are licensed.

(e) Employees of the department authorized to weigh agricultural products under the provisions of Chapter 8 (commencing with Section 12801) of Division 5 of this code, when performing the duties authorized thereby.

(f) Persons who measure the amount of oil, gas, or other fuels for purposes of royalty computation and payment or other operations of fuel and oil companies and their retail outlets.

(g) Employees of newspaper publishers weighing or counting newspapers for sale to dealers or distributors.

(h) Persons who purchase scrap metals or salvage materials pursuant to a nonprofit recycling program.

(i) Persons operating under a license issued pursuant to Section 11701 of the Food and Agricultural Code.

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

In order to resolve an apparent conflict between state law and regulations adopted by the Public Utilities Commission, it is necessary that this act shall go into immediate effect.

CHAPTER 425

An act to amend Sections 2145.5, 2145.6, 2147.5, and 2147.6 of the Business and Professions Code, relating to medicine, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 27, 1977 Filed with Secretary of State August 27, 1977]

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

SECTION 1. Section 2145.5 of the Business and Professions Code is amended to read:

2145.5. (a) When clearly outstanding physicians who are leaders in important fields in medicine and surgery and who are graduates

of medical schools other than those of the United States are greatly needed to fill important full-time faculty positions in approved California medical schools for the teaching of medical students who are candidates for the degree "doctor of medicine," and if such physician has been offered by the dean of the medical school a full-time faculty appointment, the Board of Medical Quality Assurance may review the credentials of such physician and may decide whether to require such physician to pass an oral or a written examination, and may grant a certificate of registration to engage in the practice of medicine only to the extent that such practice is incident to and a necessary part of his duties as approved by the Division of Licensing in connection with the faculty position in the medical school. Such certificate of registration shall be valid for a period of not more than five years and shall be renewable at the discretion of the board and during which period he shall not otherwise hold himself out as a physician and surgeon in this state.

(b) A physician who receives and has held a valid certificate of registration under subdivision (a) for at least two years and who desires an unlimited physician's and surgeon's certificate in this state may, upon application to, and if approved by, the Board of Medical Quality Assurance, be granted an unlimited physician's and surgeon's certificate. An applicant for such unlimited certificate shall take and pass an oral and clinical examination. Notwithstanding any other provision of law, the board shall accept time spent in an appointment pursuant to subdivision (a) as qualifying time to meet the requirements of full licensure.

SEC. 2. Section 2145.6 of the Business and Professions Code is amended to read:

2145.6. (a) Any applicant not immediately entitled to an unlimited physicians and surgeons certificate under any other provision of this chapter who is offered by the dean of an approved California medical school a full-time faculty position may, after application to and approval by the board, be granted a certificate of registration to engage in the practice of medicine only to the extent that such practice is incident to and a necessary part of his duties as approved by the Division of Licensing in connection with the faculty position in the medical school.

(b) To qualify for a certificate pursuant to subdivision (a), an applicant shall satisfy each of the following requirements:

(1) He shall furnish documentary evidence satisfactory to the board that he is a United States citizen or, if not a citizen, that he is legally admitted to the United States.

(2) If he is a graduate of a medical school other than in the United States or Canada, he shall furnish documentary evidence satisfactory to the board that he has been licensed to practice medicine and surgery for not less than four years in the United States or in a country or countries whose requirements for licensure are satisfactory to the board, or has been engaged in the practice of medicine in the United States for at least four years in hospitals

approved for postgraduate training, or has completed a combination of such licensure and practice.

If he is a graduate of an approved medical school in the United States or Canada, he shall furnish documentary evidence satisfactory to the board that he has completed in such school a resident course of professional instruction equivalent to that required by Sections 2191 and 2192.

(3) He shall take and pass an oral and clinical examination if required by the board.

(4) The chairman of the department in which he is to be appointed shall certify in writing to the board that the applicant will be under his direction and will not be permitted to practice medicine or surgery unless incident to and a necessary part of his duties as approved by the Division of Licensing in connection with the faculty position in the medical school.

(c) A certificate may be valid for a period of up to one year after its issuance. During the period for which a certificate has been issued pursuant to this section, the applicant shall take the written examination required for the issuance of an unlimited physicians and surgeons certificate in this state.

If the applicant does not pass the examination, the certificate issued pursuant to this section shall nevertheless be effective for the period issued and if the effective period of the certificate will lapse before he can repeat the examination, the certificate may be renewed, subject to the discretion of the board, for a period not in excess of one year.

(d) Any graduate of a medical school other than in the United States or Canada who is serving an appointment pursuant to this section and desires full licensure in this state shall meet the requirements of Section 2193. Notwithstanding any other provision of law, the board may accept time spent in an appointment pursuant to this section as qualifying time to meet the requirements under Section 2193.

SEC. 3. Section 2147.5 of the Business and Professions Code is amended to read:

2147.5. Except to the extent authorized by law, no postgraduate trainee, intern, resident, postdoctoral fellow, or instructor may treat the sick or afflicted or receive compensation therefor, or otherwise engage in or offer to engage in the practice of medicine or surgery unless he shall hold a valid, unrevoked and unsuspended physician's and surgeon's certificate issued by the Board of Medical Quality Assurance of this state. A graduate of an approved school, who is registered with the board and who is enrolled in approved postgraduate training, may treat the sick and afflicted whenever and wherever required as a part of such program under the following conditions:

(a) Any graduate of an approved medical school who is registered with the board may, in an approved first-year postgraduate training program, for a period not to exceed one year, treat the sick and

afflicted whenever and wherever required as a part of his training program, and may receive compensation for rendering such treatment.

(b) Any graduate of an approved medical school who has completed his first year of postgraduate training and is registered with the board may, in an approved residency, treat the sick and afflicted whenever and wherever required as part of his training program and may receive compensation therefor; provided, that such resident shall qualify for and take the next succeeding written examination for licensure given by the board, or shall qualify for and receive a physician's and surgeon's certificate by one of the other methods specified in this chapter. If he shall fail to pass such an examination or fail to receive a license to practice medicine by one of the other methods specified in this chapter within a year, all privileges under this section shall automatically cease.

SEC. 4. Section 2147.6 of the Business and Professions Code is amended to read:

2147.6. (a) Physicians, who are legally admitted to the United States of America, who seek postgraduate study in an approved medical school either as a fellow, instructor, or exchange professor, may, after proper application to and approval by the board and receipt of an appointment from the dean of an approved medical school, be permitted by the board to participate in the professional activities of the department in the approved medical school to which they are appointed under the direction of the chairman of the department. Such permission granted by the board shall be for a period not in excess of five years, and must be renewed annually. Such renewal shall only be granted subject to the discretion of the board.

(b) Physicians, who are legally admitted to the United States of America on a temporary basis, who seek postgraduate study may, after application to and approval by the board, be permitted to participate in a fellowship program in a specialty or subspecialty field, providing the fellowship program is given in a hospital in the State of California approved by the Joint Committee on Accreditation and providing the service is satisfactory to the board. Such persons shall at all times be under the direction and supervision of a licensed, board-certified physician who is recognized as a clearly outstanding specialist in the field in which the foreign fellow is to be trained. The supervisor, as part of the application process, shall submit his curriculum vitae and a protocol of the fellowship program to be completed by the foreign fellow. Approval of the program and supervisor is to be for a period of one year, but may be renewed for another year upon application to and approval by the board. Such approval may not be renewed more than four times.

The board is authorized to determine a suitable fee, based on the cost of operating this program, which shall be paid by the applicant at the time application is filed.

(c) Except to the extent authorized by this section, no such

visiting physician may treat the sick or afflicted or receive compensation therefor or otherwise engage in or offer to engage in the practice of medicine and surgery.

The time spent in an approved medical school pursuant to this section shall not be used to satisfy the requirements contained in Sections 2193 and 2193.5.

Nothing in this section shall preclude any United States citizen who has received his or her medical degree from a medical school located in a foreign country from participating in any program established pursuant to this section.

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

Current medical residency training programs are unduly restrictive by statute; while nonhospital settings for such programs are not even authorized by law.

In addition, clearly outstanding physicians whose talents are needed in many hospitals are precluded by current law from teaching or performing research in all but a few primary teaching hospitals.

In order to remedy these defects in existing law, it is necessary that this act take effect immediately.

CHAPTER 426

An act to amend Section 647 of the Penal Code, relating to vehicles.

[Approved by Governor August 27, 1977 Filed with Secretary of State August 27, 1977.]

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

SECTION 1. Section 647 of the Penal Code is amended to read:

647. Every person who commits any of the following acts is guilty of disorderly conduct, a misdemeanor:

(a) Who solicits anyone to engage in or who engages in lewd or dissolute conduct in any public place or in any place open to the public or exposed to public view.

(b) Who solicits or who engages in any act of prostitution. As used in this subdivision, "prostitution" includes any lewd act between persons for money or other consideration.

(c) Who accosts other persons in any public place or in any place open to the public for the purpose of begging or soliciting alms.

(d) Who loiters in or about any toilet open to the public for the purpose of engaging in or soliciting any lewd or lascivious or any unlawful act.

(e) Who loiters or wanders upon the streets or from place to place

without apparent reason or business and who refuses to identify himself and to account for his presence when requested by any peace officer so to do, if the surrounding circumstances are such as to indicate to a reasonable person that the public safety demands such identification.

(f) Who is found in any public place under the influence of intoxicating liquor, any drug, toluene, any substance defined as a poison in Schedule D of Section 4160 of the Business and Professions Code, or any combination of any intoxicating liquor, drug, toluene, or any such poison, in such a condition that he is unable to exercise care for his own safety or the safety of others, or by reason of his being under the influence of intoxicating liquor, any drug, toluene, any substance defined as a poison in Schedule D of Section 4160 of the Business and Professions Code, or any combination of any intoxicating liquor, drug, toluene, or any such poison, interferes with or obstructs or prevents the free use of any street, sidewalk, or other public way.

(ff) When a person has violated subdivision (f) of this section, a peace officer, if he is reasonably able to do so, shall place the person, or cause him to be placed, in civil protective custody. Such person shall be taken to a facility, designated pursuant to Section 5170 of the Welfare and Institutions Code, for the 72-hour treatment and evaluation of inebriates. A peace officer may place a person in civil protective custody with that kind and degree of force which would be lawful were he effecting an arrest for a misdemeanor without a warrant. No person who has been placed in civil protective custody shall thereafter be subject to any criminal prosecution or juvenile court proceeding based on the facts giving rise to such placement. This subdivision shall not apply to the following persons:

(1) Any person who is under the influence of any drug, or under the combined influence of intoxicating liquor and any drug.

(2) Any person who a peace officer has probable cause to believe has committed any felony, or who has committed any misdemeanor in addition to subdivision (f) of this section.

(3) Any person who a peace officer in good faith believes will attempt escape or will be unreasonably difficult for medical personnel to control.

(g) Who loiters, prowls, or wanders upon the private property of another, in the nighttime, without visible or lawful business with the owner or occupant thereof.

(h) Who, while loitering, prowling, or wandering upon the private property of another, in the nighttime, peeks in the door or window of any inhabited building or structure located thereon, without visible or lawful business with the owner or occupant thereof.

(i) Who lodges in any building, structure, vehicle, or place, whether public or private, without the permission of the owner or person entitled to the possession or in control thereof.

In any accusatory pleading charging a violation of subdivision (b) of this section, if the defendant has been once previously convicted

of a violation of that subdivision, the previous conviction shall be charged in the accusatory pleading; and, if the previous conviction is found to be true by the jury, upon a jury trial, or by the court, upon a court trial, or is admitted by the defendant, the defendant shall be imprisoned in the county jail for a period of not less than 45 days and shall not be eligible for release upon completion of sentence, on parole, or on any other basis until he has served a period of not less than 45 days in the county jail. In no such case shall the trial court grant probation or suspend the execution of sentence imposed upon the defendant.

In any accusatory pleading charging a violation of subdivision (b) of this section, if the defendant has been previously convicted two or more times of a violation of that subdivision, each such previous conviction shall be charged in the accusatory pleading; and, if two or more of such previous convictions are found to be true by the jury, upon a jury trial, or by the court, upon a court trial, or are admitted by the defendant, the defendant shall be imprisoned in the county jail for a period of not less than 90 days and shall not be eligible for release upon completion of sentence, on parole, or on any other basis until he has served a period of not less than 90 days in the county jail. In no such case shall the trial court grant probation or suspend the execution of sentence imposed upon the defendant.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local governmental entities which, in the aggregate, do not result in significant, identifiable cost changes.

CHAPTER 427

An act to amend Sections 76062 and 88020 of the Education Code, and to amend Section 20810.5 of the Government Code, relating to community colleges.

[Approved by Governor August 27, 1977 Filed with Secretary of State August 27, 1977]

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

SECTION 1. Section 76062 of the Education Code is amended to read:

76062. The governing board of any community college district may authorize any organization composed entirely of students attending the colleges of the district to maintain such activities, including fundraising activities, as may be approved by the governing board

The governing board of any community college district may, by resolution, authorize any student body organization to conduct fundraising activities on community college property during school hours provided that the governing board has determined that such activities will not interfere with the normal conduct of the community colleges.

As otherwise authorized by law, a community college district may assume responsibility for activities formerly conducted by a student body organization. A student body organization employee who was employed to perform the activity assumed by the district pursuant to this section shall become a member of the classified service of the district in accordance with Section 88020.

SEC. 2. Section 88020 of the Education Code is amended to read:

88020. Any person not a student or substitute employee, who has been employed by a community college student body organization pursuant to Section 76062 or 81675 for a period of at least six months immediately preceding becoming a member of the classified service pursuant to Section 76062 or 81676 shall, without examination, be deemed to be a permanent classified service employee of the community college district.

Any person not a student or substitute employee employed by a student body organization pursuant to Section 76062 or 81675 for less than six months immediately preceding becoming a member of the classified service pursuant to Section 76062 or 81676 shall, without examination, be deemed to be a probationary classified employee of the district.

This section shall apply to districts that have adopted the merit system in the same manner and effect as if it were a part of Article 3 (commencing with Section 88060) of this chapter.

SEC. 3. Section 20810.5 of the Government Code is amended to read:

20810.5. An employee of a student body organization, which is not a contracting agency, who becomes a member of the classified service of a school district pursuant to Section 76062 or 88020 of the Education Code, shall receive service credit under the contract of the county superintendent of schools within whose jurisdiction the school district lies, or under such individual district contract as may be applicable, for the time during which he was employed by the student body organization as if he had been employed by the school district during such time unless such service is credited in another publicly supported retirement system.

Service so credited shall be credited as current service or prior service, or both, as it would be credited if the member had been an employee of the school district throughout the time of the service so credited.

The county superintendent of schools or superintendent of schools of an independently contracting district shall draw a requisition against the funds of the school district for an amount equal to the total employer and employee contributions which would have been

requisitioned under Section 20585 had such service been rendered in the employ of the school district and the employer and member rates and compensation on the date of transfer had been in effect throughout the period of service credited, and transmit such amount in accordance with Section 20585.

The governing board may at its discretion establish a method of recovering a portion of, or the total liability for, the amount so requisitioned.

The amount recovered from the member for such service so credited shall be deducted from the amount transmitted and credited to the member's account.

CHAPTER 428

An act to add Article 3.5 (commencing with Section 6540) to Chapter 6 of Division 3 of the Business and Professions Code, relating to barbers.

[Approved by Governor August 27, 1977. Filed with Secretary of State August 27, 1977]

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

SECTION 1. Article 3.5 (commencing with Section 6540) is added to Chapter 6 of Division 3 of the Business and Professions Code, to read:

Article 3.5. Student Security Trust Fund

6540. The board shall establish and maintain a Student Security Trust Fund to relieve or mitigate pecuniary losses suffered by any student of barbering as the result of a licensed barber college ceasing its operation as such for any reason. All assessments collected pursuant to the provisions of Section 6540.3 shall be deposited in the Student Security Trust Fund which is hereby continuously appropriated to the Board of Barber Examiners without regard to fiscal year. Any payments from the fund shall be discretionary and shall be subject to such regulations and conditions as the board shall prescribe.

6540.3. Each licensed barber college shall be assessed a charge of not less than two dollars ($2) nor more than five dollars ($5), as fixed by the board, for each student enrolled in such college. The assessments received pursuant to this article shall be deposited in the Student Security Trust Fund, which funds shall be kept separate from other funds of the board and shall not be used for any purpose other than authorized by this article.

6541. The board shall, from time to time, determine and fix the total amount necessary in the trust fund, but not to exceed fifty

thousand dollars ($50,000). The board shall suspend all assessments at such time as the total in the trust fund reaches the amount so fixed by the board and shall reimpose such assessments when the total in the fund falls below such total amount.

6541.5. The board may invest the funds in such trust fund in the pooled money investment account or such securities as shall be approved by the State Treasurer.

CHAPTER 429

An act to amend Section 7026 of the Business and Professions Code, relating to contractors.

[Approved by Governor August 27, 1977 Filed with Secretary of State August 27, 1977]

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

SECTION 1. Section 7026 of the Business and Professions Code is amended to read:

7026. The term contractor for the purposes of this chapter is synonymous with the term "builder" and, within the meaning of this chapter, a contractor is any person, who undertakes to or offers to undertake to or purports to have the capacity to undertake to or submits a bid to, or does himself or by or through others, construct, alter, repair, add to, subtract from, improve, move, wreck or demolish any building, highway, road, parking facility, railroad, excavation or other structure, project, development or improvement, or to do any part thereof, including the erection of scaffolding or other structures or works in connection therewith, or the cleaning of grounds or structures in connection therewith, and whether or not the performance of work herein described involves the addition to or fabrication into any structure, project, development or improvement herein described of any material or article of merchandise. The term contractor includes subcontractor and specialty contractor.

CHAPTER 430

An act to add Article 2.5 (commencing with Section 48645) to Chapter 4 of Part 27 of the Education Code, and to amend Section 856 of, to add Section 889 to, and to repeal Sections 857, 858, 859, 860, 861, 889, and 890 of, the Welfare and Institutions Code, relating to juvenile court schools.

[Approved by Governor August 27, 1977 Filed with Secretary of State August 27, 1977]

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

SECTION 1. Article 2.5 (commencing with Section 48645) is added to Chapter 4 of Part 27 of the Education Code, to read:

Article 2.5. Juvenile Court Schools

48645. The purpose of this article is to provide for the administration and operation of schools in juvenile halls, juvenile homes, day centers, juvenile ranches, or juvenile camps established pursuant to Article 14 (commencing with Section 850) and Article 15 (commencing with Section 880) of Chapter 2 of Division 2 of the Welfare and Institutions Code and to provide the juvenile court school pupils therein detained with quality education and training.

48645.1. Public schools or classes in any juvenile hall, juvenile home, day center, juvenile ranch, or juvenile camp established in accordance with Article 14 (commencing with Section 850) and Article 15 (commencing with Section 880) of Chapter 2 of Division 2 of the Welfare and Institutions Code shall be known as juvenile court schools.

48645.2. The county board of education shall provide for the administration and operation of juvenile court schools established pursuant to Section 48645.1:

(a) By the county superintendent of schools, provided that, in any county in which the board of supervisors is establishing or maintaining juvenile court schools on January 1, 1978, the county superintendent of schools may contract with the board of supervisors for the administration and operation of such schools if agreed upon between the board of education and the board of supervisors. In any event, the county superintendent of schools may contract with other educational agencies for supporting services to the same extent that school districts may contract with other such agencies.

(b) By contract with the respective governing boards of the elementary, high school, or unified school district in which the juvenile court school is located.

48645.3. Juvenile court schools shall be conducted in a manner as shall be prescribed by the county board of education to best accomplish the provisions of Section 48645. The minimum schoolday shall be 240 minutes. Minimum schooldays shall be calculated on the basis of the average number of minutes of attendance during not more than 10 consecutive days in which classes are conducted. The minimum schoolday for pupils in attendance in approved vocational education programs and work experience programs shall be 180 minutes, which shall be calculated on the basis of the average number of minutes of attendance during not more than 10 consecutive days in which classes are conducted. The county board of education shall adopt and enforce a course of study and evaluate its program in accordance with Sections 51040, 51041, 51050, and 51054 and the provisions of Article 3 (commencing with Section

51200) of Chapter 2 of Part 28, except subdivision (c) of Section 51220.

Juvenile court schools shall not be closed on any weekday of the calendar year, except those weekdays adopted by the board of education as school holidays or set aside by the board of education for inservice purposes. However, the board of education may close juvenile court schools when it deems such closing is necessary to accommodate contingencies.

48645.5. Each public school district shall accept for credit any coursework satisfactorily completed by a student while being detained in any county or state-operated institution for dependent or delinquent children. Such coursework shall be transferred by means of the standard state transcript. If a student completes the graduation requirements of his school district of residence while being detained, the school district of residence shall issue to him a diploma from the school he last attended before detention or in the alternative, the county superintendent of schools may issue the diploma.

48645.6. Plans for any juvenile court school classrooms, offices, or any other school structures in any juvenile hall, juvenile home, day center, juvenile ranch, or juvenile camp shall be approved by the county board of education. Upon approval of the board of supervisors and the county board of education, the cost of such structures shall be a required charge against the funds of the county.

SEC. 2. Section 856 of the Welfare and Institutions Code is amended to read:

856. The board of supervisors may provide for the establishment of a public elementary school and of a public secondary school in connection with any juvenile hall, juvenile house, day center, juvenile ranch, or juvenile camp, for the education of the children in such facilities.

SEC. 3. Section 857 of the Welfare and Institutions Code is repealed.

SEC. 4. Section 858 of the Welfare and Institutions Code is repealed.

SEC. 5. Section 859 of the Welfare and Institutions Code is repealed.

SEC. 6. Section 860 of the Welfare and Institutions Code is repealed.

SEC. 7. Section 861 of the Welfare and Institutions Code is repealed.

SEC. 8. Section 889 of the Welfare and Institutions Code is repealed.

SEC. 9. Section 889 is added to the Welfare and Institutions Code, to read.

889. The board of education shall provide for the administration and operation of public schools in any juvenile home, hall, day center, ranch, or camp pursuant to Article 2.5 (commencing with Section 48645) of Chapter 4 of Part 27 of the Education Code.

SEC. 10. Section 890 of the Welfare and Institutions Code is repealed.

SEC. 11. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because the duties, obligations, or responsibilities imposed on local government by this act can be accomplished with no additional cost to local government.

CHAPTER 431

An act to amend Section 6503 of the Public Resources Code, relating to state lands.

[Became law without Governor's signature August 28, 1977 Filed with Secretary of State August 29, 1977]

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

SECTION 1. Section 6503 of the Public Resources Code is amended to read:

6503. Upon receipt of an application to lease lands under this chapter, the commission shall appraise the lands and fix the annual rental or other consideration therefor; provided, no rental fee shall be charged for private recreational piers constructed for the use of a littoral landowner; provided, further, that such littoral landowner shall pay to the commission, in accordance with rules and regulations of the commission, the commissions expenses in issuing such lease. A littoral landowner, as used in this section, shall be only a natural person or persons, using the littoral land solely for a private single-family dwelling house and shall not include the owner of unimproved land. A recreational pier, for the purposes of this section, shall include any fixed facility for the docking or mooring of boats constructed for the use of the littoral landowner.

SEC. 2. The Legislature finds and declares that substantial public benefit is derived from the construction and maintenance of private recreational piers on the waterways of this state. The public benefits derived from such piers include, but are not limited to: the provision of a safe harbor for vessels which become disabled upon the waterways of this state, a safe anchorage for vessels which become distressed in times of severe weather conditions, the protection of the public from navigational hazards often found adjacent to shorelines along the waterways of this state, the elimination or retardation of erosion along the shoreline of rivers and streams, and the provision of navigational aides to members of the public utilizing the waterways of this state. It is therefore the intent of the Legislature in providing for rent free private recreational piers to encourage members of the public to construct such piers, at no cost

to the state, upon the navigable lakes, rivers, and streams of this state.

The provisions of this section are declaratory of existing law.

CHAPTER 432

An act making an appropriation to pay the stipulated judgment in favor of the plaintiffs against the State of California in the action entitled *Laura King, et al.* v. *Cal Stores Lakewood, et al.,* and declaring the urgency thereof, to take effect immediately.

[Became law without Governor's signature August 28, 1977. Filed with Secretary of State August 29, 1977.]

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

SECTION 1. The sum of one hundred thousand dollars ($100,000) is hereby appropriated from the General Fund to the State Department of Justice to pay the stipulated judgment in favor of the plaintiffs against the State of California in the action entitled *Laura King, et al.* v. *Cal Stores Lakewood, et al.,* Number C 56872, brought in the Superior Court of the State of California for the County of Los Angeles.

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

In order to pay the judgment recovered against the state arising out of an action brought by the plaintiffs and ending a hardship to such persons as quickly as possible, it is necessary for this act to take effect immediately.

CHAPTER 433

An act to amend Sections 44844, 44845, 44846, and 44955 of the Education Code, relating to school certificated employees.

[Approved by Governor August 29, 1977 Filed with Secretary of State August 30, 1977]

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

SECTION 1. Section 44844 of the Education Code is amended to read:

44844. Except as otherwise provided in Sections 44831 to 44855, inclusive, every probationary or permanent employee employed before July 1, 1947, shall be deemed to have been employed on the date upon which he first accepted employment in a probationary

position.

SEC. 2. Section 44845 of the Education Code is amended to read:

44845. Every probationary or permanent employee employed after June 30, 1947, shall be deemed to have been employed on the date upon which he first rendered paid service in a probationary position.

SEC. 3. Section 44846 of the Education Code is amended to read:

44846. The following general provisions shall apply regardless of date of employment:

As between two or more employees who first rendered paid service to the district on the same date, and who, following the termination of services, have a statutory preference to reappointment in the order of original employment, the governing board shall determine the order of reemployment solely on the basis of the needs of the district and the students thereof.

Records showing date of employment, whether kept by the district or by the county, shall be accessible, on demand, to any certificated employee of the district or to his designated representative.

In the absence of records as to any of the matters referred to in the two preceding sections, the board, in accordance with evidence presented, shall determine the order of employment after giving employees a reasonable opportunity to present such evidence.

The order of employment in all districts, when required, shall be determined as prescribed by Sections 44830 to 44855, inclusive.

The board shall have power and it shall be its duty to correct any errors discovered from time to time in its records showing the order of employment.

SEC. 4. Section 44955 of the Education Code is amended to read:

44955. No permanent employee shall be deprived of his position for causes other than those specified in Sections 44892, 44907 and 44923, and Sections 44932 to 44947, inclusive, and no probationary employee shall be deprived of his position for cause other than as specified in Sections 44948 to 44949, inclusive.

Whenever in any school year the average daily attendance in all of the schools of a district for the first six months in which school is in session shall have declined below the corresponding period of either of the previous two school years, or whenever a particular kind of service is to be reduced or discontinued not later than the beginning of the following school year, and when in the opinion of the governing board of said district it shall have become necessary by reason of either of such conditions to decrease the number of permanent employees in said district, the said governing board may terminate the services of not more than a corresponding percentage of the certificated employees of said district, permanent as well as probationary, at the close of the school year; provided, that the services of no permanent employee may be terminated under the provisions of this section while any probationary employee, or any other employee with less seniority, is retained to render a service which said permanent employee is certificated and competent to

render. As between employees who first rendered paid service to the district on the same date, the governing board shall determine the order of termination solely on the basis of needs of the district and the students thereof.

Notice of such termination of services either for a reduction in attendance or reduction or discontinuance of a particular kind of service to take effect not later than the beginning of the following school year, shall be given before the 15th of May in the manner prescribed in Section 44949, and services of such employees shall be terminated in the inverse of the order in which they were employed, as determined by the board in accordance with the provisions of Sections 44844 and 44845 of this code. In the event that a permanent or probationary employee is not given the notices and a right to a hearing as provided for in Section 44949, he shall be deemed reemployed for the ensuing school year.

The board shall make assignments and reassignments in such a manner that employees shall be retained to render any service which their seniority and qualifications entitle them to render.

CHAPTER 434

An act to add Chapter 4 (commencing with Section 66501) to Division 22 of the Food and Agricultural Code, relating to lettuce, and making an appropriation therefor.

[Approved by Governor August 29, 1977. Filed with Secretary of State August 30, 1977]

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

SECTION 1. Chapter 4 (commencing with Section 66501) is added to Division 22 of the Food and Agricultural Code, to read:

CHAPTER 4. CALIFORNIA ICEBERG LETTUCE COMMISSION

Article 1. Declarations and Purposes

66501. The inability of lettuce shippers to maintain or expand present markets for iceberg lettuce results in an unreasonable and unnecessary economic waste and accompanying loss of employment to the California economy.

66502. These conditions vitally concern the health, peace, safety, and general welfare of the people of this state. It is, therefore, in the public interest to protect and enhance the reputation of California iceberg lettuce in intrastate, interstate, and foreign markets, and to otherwise act to eliminate unreasonable and unnecessary economic waste of the agricultural wealth of this state.

66503. The promotional, educational, economic and marketing

research, and any similar activities authorized by this chapter will serve to expand existing markets and create new markets for California iceberg lettuce and to prevent agricultural waste and maintain employment, and are, therefore, in the interests of the welfare, economy, and health of the people of California.

66504. It is hereby declared to be the policy of this state to aid in preventing economic waste in the marketing of iceberg lettuce, to develop more efficient and equitable methods in marketing, and to maintain job security for workers in iceberg lettuce and related industries.

66505. The production and marketing of fresh California iceberg lettuce for human consumption is declared to be affected with a public interest. The provisions of this chapter are enacted in the exercise of the police power of this state for the purpose of protecting the health, peace, safety, and general welfare of the people of this state.

66506. Notwithstanding any other laws to the contrary, in the event a commodity or marketing agreement or marketing order under the jurisdiction of the United States Department of Agriculture, or other appropriate federal agency, is created by referendum or under the applicable laws and procedures relating thereto, in this state or in any geographical area within this state, which agreement or order contains provisions substantially similar to the provisions of this chapter, this chapter shall be inapplicable to any producer, shipper, or other person covered by, and, to the extent of such coverage, during the existence of, such federal agreement or order.

Article 2. Definitions and General Provisions

66521. As used in this chapter, the following words have the following meaning set forth hereafter unless otherwise apparent from the context.

66522. "Advertising and sales promotion" means, in addition to the ordinarily accepted meaning thereof, trade promotion and activities for the prevention, modification, or removal of trade barriers which restrict the free flow of iceberg lettuce to market and may include the presentation of facts to, and negotiations with, state, federal, or foreign governmental agencies on matters which affect the marketing of such lettuce.

66523. "Books and records" means any book, record, account, contract, document, memorandum, paper, correspondence, or other written datum reflecting operations under this chapter.

66524. "Cartwright Act" means the act set forth in Chapter 2 (commencing with Section 16700), Part 2, Division 7 of the Business and Professions Code.

66525. "Cause to be produced" means the proprietary functions of initiating and supervising iceberg lettuce production.

66526. "Commission" means the California Iceberg Lettuce

Commission.

66527. "Commissioner" means any member of the commission.

66528. "Districts" shall consist of:

District 1. (Blythe area) Riverside and San Bernardino Counties.

District 2. (Imperial Valley area) Imperial County.

District 3 (Oxnard area) San Diego, Los Angeles, Orange, and Ventura Counties.

District 4. (Santa Maria area) Santa Barbara and San Luis Obispo Counties.

District 5. (Salinas-Watsonville area) Monterey, San Benito, Santa Cruz, Santa Clara, San Mateo, San Francisco, Marin, Sonoma, Mendocino, Humboldt, Alameda, and Del Norte Counties.

District 6. (San Joaquin-Sacramento Valley area) Sacramento, Kern, Fresno, San Joaquin, Stanislaus, Tulare, King, Merced, Madera, Contra Costa, Yolo, Solano, Napa, Colusa, Sutter, Yuba, Glenn, Butte Counties, and all other counties of California not included in Districts 1, 2, 3, 4, and 5.

66529. "Director" means the Director of Food and Agriculture.

66530. "Fiscal year," means the period beginning April 1 of any year and extending through March 31 of the following year.

66531 "Grower" means any person engaged within this state in the business of producing or causing to be produced iceberg lettuce.

66532. "Grower-handler" means any person who is engaged within the state in the business of producing or causing to be produced, through contractual agreements or other legal relationships and having an ownership therein, iceberg lettuce, and who in addition thereto prepares for market and markets, either through its own sales force or by agents or contract sellers, 250,000 pounds or more of such lettuce during a marketing season and who is not a secondary handler, as defined in Section 66542.5. Any producer who for his own account engages the services of another person to prepare for market and markets 250,000 pounds or more of his own production during a marketing season, shall be deemed the handler thereof. In determining whether the grower-handler has marketed 250,000 pounds or more of lettuce during a marketing season, there shall be excluded from such computations all shipments of 200 pounds or less of iceberg lettuce sold or shipped by a handler directly to the consumer.

66533. "Grower-shipper" has the same meaning as grower-handler.

66534. "Handle" means to perform any of the functions of a handler.

66535. "Handler" has the same meaning as grower-handler.

66536. "Iceberg lettuce" for purposes of this chapter means varieties of lettuce produced in California of the types which are distinguished as "crisphead" in that certain publication entitled "Lettuce Production in the United States, Agricultural Handbook No. 221," August 1974 revision, issued by the Agricultural Research

Service of the United States Department of Agriculture. The term does not include the types of lettuce otherwise distinguished in such publication by the terms "butterhead," "cos or romaine" and "looseleaf."

66537. "Market" means to sell, ship or otherwise distribute iceberg lettuce in the commercial channels of trade.

66538. "Market season" has the same meaning as fiscal year.

66539. "Prepare for market" means to perform all functions of harvesting and preparing iceberg lettuce for market or marketing.

66540. "Person" means any individual, firm, corporation, association, or other business unit, and shall include, for purposes of this chapter, any state agency which engages in any of the commercial activities regulated pursuant to the provisions of this chapter.

66541. "Producer" has the same meaning as grower.

66542. "Public representative" means a member of the commission appointed to represent the public generally pursuant to subdivision (c) of Section 66564.

66542.5. "Secondary handler" means any person who purchases from a grower or grower-handler iceberg lettuce for the purpose of coring, shredding, or processing such iceberg lettuce for market and who markets such processed iceberg lettuce during a marketing season.

66543. "Standard box" means standard containers for iceberg lettuce as such containers are defined in the California Administrative Code.

66544. "Standard carton" has the same meaning as standard box.

66545. "Standard container" has the same meaning as standard box.

66546. "Unfair Practices Act" means the act set forth in Chapter 4 (commencing with Section 17000), Part 2, Division 7 of the Business and Professions Code.

Article 3. The California Iceberg Lettuce Commission

66561. There is hereby created the California Iceberg Lettuce Commission to be thus known and designated. The commission shall be composed of 17 members of which 14 shall be handlers, two shall be members-at-large, and one shall be a person who is neither a producer nor a handler and who is appointed specifically to represent the public generally.

66561.3. The director may require the commission to correct or cease any activity or function which is determined by the director not to be in the public interest or is in violation of this chapter.

If the commission refuses or fails to cease such activities or functions or to make such corrections as required by the director, the director may, upon written notice, suspend all or a portion of the activities of the commission until such time that the cessation or correction of activities or functions as required by the director have

been accomplished.

Any written notice, to cease any such activity which is the subject of a contract of the commission entered into by the commission prior to such notice, shall not be effective until after the period of notice for termination provided in such contract or 120 days whichever is shorter.

Upon service of the written notice, the director shall notify the commission in writing, of the specific acts which he determines are not in the public interest or are in violation of this chapter.

66561.4. Either party may bring an action for judicial relief in a court of competent jurisdiction, which may issue a temporary restraining order, permanent injunction, or other applicable relief.

66561.5. The commission shall submit a list of three public members to the Director of Food and Agriculture. The director shall choose one public member from this list to serve as a member on the commission. Should the director determine that those on the list are unacceptable, the commission shall submit a new list containing the names of three public members from which the director shall choose one. This procedure shall continue until a public member has been selected by the director to serve on the commission

66562. The California Iceberg Lettuce Commission shall be and is hereby declared and created a corporate body It shall have the power to sue and be sued, to contract and be contracted with, and to have and possess all of the powers of a corporation. It shall adopt a corporate seal. Copies of its proceedings, records, and acts, when certified by the secretary and authenticated by the corporate seal, shall be admissible in evidence in all courts of the state, and shall be prima facie evidence of the truth of all statements therein.

66563. The commission may appoint a manager, a treasurer, secretary, and any other necessary personnel to carry out the provisions of this chapter. The compensation of each officer shall be fixed by the commission. No such officer shall be a member of the commission.

66564. Each member of the commission shall be a citizen and a resident of this state. Additionally:

(a) Each handler member shall be engaged in the handling of iceberg lettuce currently. Not more than two handler members shall be employed by or have a proprietary interest in the same corporation, firm, partnership, association, or business organization. However, not more than one handler member in any one district shall be so employed or have such a proprietary interest

(b) Each member-at-large shall be a person, whether or not engaged in the production or marketing of iceberg lettuce, whose qualifications are appropriate to the needs of the commission. Such person may be a handler who is not appointed as a handler member but who nevertheless is qualified under subdivision (a) to serve as a handler member.

(c) The person appointed to represent the public generally shall be any person who is neither a producer nor a handler, whose

qualifications are appropriate to the needs of the commission.

(d) The qualifications of members of the commission, as set forth in this section, shall continue during their term of office.

66565. Each of six districts shall be represented by the following number of handlers:

(a) District 1 (Blythe area) shall have one member.

(b) District 2 (Imperial Valley area) shall have three members.

(c) District 3 (Oxnard area) shall have one member.

(d) District 4 (Santa Maria area) shall have two members.

(e) District 5 (Salinas-Watsonville area) shall have five members.

(f) District 6 (San Joaquin-Sacramento Valley area) shall have two members.

66566. The regular term of office for handler members of the commission shall be three years commencing March 1 of any year in which they are appointed, and, except with respect to the first of such members, each shall serve as follows:

(a) District 1: one shall serve for three years.

(b) District 2: one shall serve for one year, one shall serve for two years and one shall serve for three years.

(c) District 3: one shall serve for three years.

(d) District 4: one shall serve for two years and one shall serve for three years.

(e) District 5: one shall serve for one year, two shall serve for two years and two shall serve for three years.

(f) District 6: one shall serve for two years and one shall serve for three years.

66567. Members-at-large and the public representative shall serve 3-year terms

66568. Each handler member for each district shall be elected by a plurality of votes cast by handlers in the district. Each handler who has handled iceberg lettuce in the district in which he is qualified to vote during the year preceding any election shall be entitled to one vote for each membership position apportioned to such district and for which the election is being held. In the event of a tie vote, there shall be another election to resolve the tie vote. The district in which a handler is qualified to vote shall be the district of his headquarters unless, upon application, he is certified to vote in a different district in which he handled iceberg lettuce during the preceding year.

66569. Each member-at-large and the public representative shall be persons nominated for appointment by the handler members of the commission and appointed by the director. Any such nomination shall require a plurality of votes cast by the handler members. For initial appointees, nomination proceedings shall be undertaken at the first meeting of the commission following January 1, 1978. When any such positions later become vacant for any reason or cause, proceedings to fill the vacancy shall be the same as for the initial appointments and shall be undertaken at the next meeting of the commission after the position is vacated.

66571. Immediately after January 1, 1978, the director shall

establish a list of handlers in each district. Such list of handlers may be established from lists of such persons whose names and addresses appear on file in the department.

66572. The commission or the director, in preparing a list of handlers to be used under this chapter, may omit from such list any person who functions as a handler, but who handles less than 250,000 pounds of iceberg lettuce during a marketing season. Any person so omitted from such list shall not be subjected to the provisions, including the payment of any assessments, of this chapter and shall not be qualified as a handler under this chapter. Any person omitted from a list pursuant to this section may be included on any subsequent list if found qualified as a handler at the time of preparing such list.

66573. Lists of handlers may be obtained whenever and in such manner as the director may deem necessary or advisable, for the purpose of checking, comparing or correcting such lists. Such handler lists shall, subject to any proper corrections, be final and conclusive in making determinations relative to the number and qualifications of handlers entitled to vote for commissioners.

66574. Any handler, whose name does not appear on the director's list of handlers, may have his name established thereon by filing with the director a signed statement advising that he handled such iceberg lettuce in the next preceding season and giving the quantity handled in each district and the quantity introduced into trade.

66575. Upon establishment of such lists of handlers, the director shall call meetings of handlers in each district for the purpose of nominating persons to be appointed to the office of commissioner. At each such district meeting for the nomination of members, the director or an authorized representative thereof shall preside and receive nominations and at the conclusion of each such meeting shall announce the names of persons nominated at the meeting and the time, the manner, and instructions for voting by mail. Thereafter, within 10 days after the final district meeting, the director shall mail to all handlers ballots for the election of members in the respective districts, with instructions for voting by mail. All ballots shall be required to be returned to the director and mailed for delivery within 10 days after issuance by the director.

66576. Upon expiration of the voting period the director shall tabulate all votes and shall announce the names of those persons nominated for appointment as handler members of the commission from each district and shall appoint the nominees as members of the commission.

66577. Nonreceipt of notice of a meeting for the nomination of commissioners or of ballots shall not invalidate any such meeting, nomination, or election.

66578. Subsequent to the first election after January 1, 1978, the commission shall compile and maintain a list of qualified handlers and shall, at least 30 days prior to the date set for any meeting for

nomination to the office of commissioner, certify such list to the director, and such list shall constitute the list of handlers qualified to vote in any such election.

66579. Subsequent to the first election after January 1, 1978, persons to be appointed to the office of commissioner by the director shall be selected pursuant to such nomination and appointment procedures as shall be established by the rules and regulations adopted by the commission in accordance with the provisions of this chapter and approved by the director.

66580. In the event the position of a handler member becomes vacant due to failure to qualify, resignation, disqualification, death, or for any other reason, such position shall be filled by a qualified handler who is nominated by the handler members of the commission and appointed by the director. Handlers to be considered for appointment to fill any such vacancy shall, if possible, be handlers whose names are submitted for consideration by the remaining handler members of the district in which the vacancy occurs Any such nomination shall require a plurality of votes cast by the handler members. The appointment to a vacated handler member position shall be for the unexpired term of office. Any vacancy of a handler member position occurring within six months prior to a regular district election may remain vacant until the next regular election.

66581. Nine members of the commission of which at least eight are handler members shall constitute a quorum at any meeting for the transaction of all business and the carrying out of the duties of the commission, provided, however, that pending the appointment of initial members-at-large and the public representative, eight handler members shall constitute such quorum. Members-at-large who are handlers may be deemed handler members, if necessary, to fulfill the requirements of a quorum. Unless otherwise provided by this chapter or fixed by the commission, the vote of a majority of the commission members present at the meeting and constituting a quorum shall constitute the act of the commission.

66581.5. The director or his representatives shall be notified and may attend each meeting of the commission.

66582. No commissioner shall receive a salary. Each commissioner shall be entitled to receive the sum of thirty-five dollars ($35) per day for each day spent in actual attendance on, or in traveling to and from, meetings of the commission or on special assignment for the commission, together with travel expenses incurred in carrying out the provisions of this chapter, maximum allowances for which shall be established by the commission.

66583. All moneys received by the commission or its designated agents from the assessments levied under the authority of this chapter or otherwise received by the commission or paid to it shall be deposited in such banks as the commission may designate and shall be disbursed by order of the commission through such agent or agents as it may designate for that purpose. Any such agent or agents

shall be bonded by a fidelity bond, executed by a surety company authorized to transact business as such in the State of California, in favor of the commission, conditioned upon the faithful performance of his duties and the strict accounting of all funds of the commission, in the penal sum of not less than fifty thousand dollars ($50,000).

66584. The State of California shall not be liable for the acts of the commission or its contracts. Payment of all claims arising by reason of the administration of this chapter or acts of the commission shall be limited to the funds collected by the commission. No member of the commission or any employee or agent thereof shall be personally liable on the contracts of the commission nor shall a commissioner or employees of such commission be responsible individually in any way to any producer, handler, shipper, or any other person for errors in judgment, mistakes, or other acts, either of commission or omission, as principal, agent, or employee of the commission, except for their own individual acts of dishonesty or crime. No commissioner shall be held responsible individually for act or omission of any other member of such commission. The liability of the commissioners shall be several and not joint, and no commissioner shall be liable for the default of any other commissioner.

66585. The powers and duties of the commission shall include the following:

(a) To elect a chairman and from time to time such other officers as it may deem advisable and to delegate to such officers such administrative duties as may appear advisable.

(b) To adopt and from time to time alter, rescind, modify, and amend all proper and necessary administrative rules, regulations, and orders for the exercise of its powers and the performance of its duties, including rules for regulation of appeals from any rule, regulation, or order of the commission.

(c) To administer and enforce this chapter, and to do and perform all acts and exercise all powers incidental to, or in connection with, or deemed reasonably necessary, proper or advisable to effectuate the purposes of this chapter.

(d) To employ a manager, to serve, at the pleasure of the commission, as president and chief executive officer of the commission and other personnel, including legal counsel, that is necessary to carry out the provisions of this chapter.

(e) The Attorney General shall aid and assist the commission upon its request and shall undertake such judicial proceedings as requested by the commission to undertake on its behalf.

(f) To establish offices and incur expense, and to enter into any and all contracts and agreements, and to create such liabilities and borrow such funds in advance of receipt of assessments as may be necessary, in the opinion of the commission, for the proper administration and enforcement of this chapter and the performance of its duties.

(g) To keep accurate books, records, and accounts of all of its dealings, which books, records, and accounts shall be subject to an

annual private audit by an auditing firm approved by the Department of Finance, and, in addition, the Department of Finance may by itself audit such books, records, and accounts, at any time. Such audit shall be made a part of an annual report to all handlers of iceberg lettuce, copies of which shall also be submitted to the Legislature. In addition, the director may, as he determines necessary, conduct, or cause to be conducted, a fiscal and compliance audit of the commission.

(h) To investigate and prosecute civil violations of this chapter and to file complaints with appropriate law enforcement agencies or officers for criminal violations of this chapter.

(i) To maintain or expand the demand for iceberg lettuce nationally and abroad by means of promotional, educational, and similar programs and activities, including, but not limited to, the advertising and publicizing of iceberg lettuce in all forms of media, providing merchandising services and materials, conducting educational meetings and demonstrations, and sponsoring or participating in appropriate trade and food conferences.

(j) To undertake market, transportation, and other pertinent studies and surveys; to present facts to, and negotiate with private and governmental bodies and agencies on, matters affecting sales and distribution and other concerns of iceberg lettuce production and marketing; and to undertake any other similar activities which the commission may determine appropriate for the maintenance and expansion of present markets and the creation of new and larger markets for iceberg lettuce.

(k) To make in the name of the commission contracts to render service in formulating and conducting plans and programs, and such other contracts or agreements as the commission may deem necessary for the promotion of the sale of iceberg lettuce.

(*l*) To conduct, or contract with others to conduct, research as authorized by this chapter. In connection with such research, the commission shall have the power to accept contributions of, or to match, private, state, or federal funds that may be available for these purposes, and to employ or make contributions of funds to other persons or state or federal agencies conducting such research.

(m) To determine, subject to the limitations provided in Section 66621, not later than March 31 of each year, the assessment for the following 12-month period beginning April 1 and ending March 31.

(n) To publish and distribute without charge a bulletin or other communication for dissemination of information relating to the iceberg lettuce industry to producers, shippers, and handlers.

Article 4. Voting Procedure

66601. The provisions of this chapter, except as necessary to conduct such vote, shall not become operative until the director finds in a vote conducted by the department that not less than 65 percent of the handlers, as determined in accordance with Section

66573, have assented in writing to the provisions of this chapter, and that such handlers so voting marketed at least a majority of the total quantity of iceberg lettuce marketed in the preceding marketing season by all of the handlers who voted, or the majority of the handlers handling 65 percent of the total quantity of iceberg lettuce marketed in the preceding marketing season.

66602. The director shall establish a period in which to conduct such vote which shall not be less than 30 days nor more than 90 days from the date this section becomes operative, and may prescribe such additional procedure as may be necessary to conduct such vote.

66603. Nonreceipt of a ballot shall not invalidate such vote.

66604. If the director finds that a favorable vote has been given as provided in Section 66601, he shall so certify and announce to the commission and file notice thereof by publication in a newspaper of general circulation in each district in accordance with Section 6066 of the Government Code and shall mail a copy of such notice to all handlers whose names and addresses may be on file. All provisions of this chapter shall become operative upon completion of such publication but not before 15 days after such certification by the director to the commission.

66605. If the director finds that such assent has not been given as provided in Section 66601, he shall so certify to the commission and shall declare the provisions of this chapter inoperative.

66606. Prior to the holding of the referendum pursuant to Article 7 (commencing with Section 66661), surety companies shall post a bond or security in an amount which the director shall determine to be sufficient to pay the costs of the referendum election should such election determine that the operation of this chapter is to be suspended.

Article 5. Assessments and Records

66621. There is hereby levied and imposed upon all iceberg lettuce harvested and shipped during the fiscal year commencing April 1, 1978, and ending March 31, 1979, and in each fiscal year thereafter, an assessment to be paid by the handlers of such lettuce and fixed by 10 of the 14 handler members of the commission at that amount determined by such commissioners as reasonably necessary to pay all obligations incurred or expected to be incurred in accordance with this chapter and as reasonably necessary to carry out the objects and purposes of this chapter. However, during the first fiscal year such assessment shall not exceed one cent ($0.01) per standard carton of packed iceberg lettuce prepared for market or equivalent basis and in subsequent fiscal years such rate or rates shall not exceed two and one-half cents ($0.025) per standard carton of packed iceberg lettuce or five cents per hundred pounds ($0.05 per cwt.) of iceberg lettuce prepared for market or equivalent basis, on all iceberg lettuce delivered by producers and received by handlers.

There shall be exempt from such assessments all shipments of 150

pounds or less of iceberg lettuce sold or shipped by a handler directly to the consumer.

66622. Every handler shall keep a complete and accurate record of all iceberg lettuce handled by him and the producer thereof. Such records should be in simple form and contain such information as the commission shall prescribe by regulation. In the event such records are required to be kept under the Perishable Agricultural Commodities Act, the format provided therein may be utilized by such handlers in preparing such records.

66623. Every handler shall, at such times as the commission may by rule or regulation require, file with the commission a return, under oath, on forms to be prescribed and furnished by the commission, stating the quantity of iceberg lettuce handled by him during the period or periods of time prescribed by the commission, the names of such producers in each district for which such handling was done, and such further information as may be necessary in the discretion of the commission to carry out the object and purposes of this chapter.

66624. Any information obtained by the commission from handlers shall be confidential and shall not be disclosed except when required in a judicial proceeding.

66625. Any assessments imposed by this chapter shall be due and payable, and shall be paid, to the commission by each handler. The commission shall, by rule or regulations, prescribe the time and method of payment thereof.

66626. Any such assessments shall be paid to the commission by the handler first handling such iceberg lettuce. Every handler shall be primarily and personally liable for the payment of any such assessment. Any handler who fails to file a return or pay any assessment within the time required shall thereby forfeit to the commission a penalty of 10 percent of the amount of such assessment determined to be due. If the commission is satisfied that the delay was excusable, the delinquent handler may remit all, or any part of such penalty. Such penalty shall be paid to the commission and shall be available for expenditure in the same manner as an assessment.

66627. Prior to the vote conducted by the director pursuant to Section 66601, the proponents of the commission shall deposit with the director such amount as he may deem necessary to defray the expenses of preparing the necessary lists and information and conducting such vote. Such funds shall be received, deposited, and disbursed in the same manner as provided in Section 58961.

Article 6. Actions and Penalties

66641. The commission may, if it finds a violation of this chapter or any rule or regulation has occurred, or in the event of nonpayment of any assessment, bring a proceeding as provided under Section 66644 in its name for collection of such assessment, civil penalties, or for injunctive relief, including specific performance, or enforcement

of any obligation imposed by this chapter or any rule or regulation issued thereunder, or both, against any person violating any provisions of this chapter or any rule or regulation adopted pursuant thereto.

If the court finds, upon any application for a temporary restraining order or upon the hearing of any order to show cause why a preliminary injunction should not be issued or upon the hearing of any motion for a preliminary injunction, or if the court finds in any such action that any defendant therein is violating or has violated any provision of this chapter or any rule or regulation duly issued by the commission pursuant to this chapter, then the court shall enjoin such defendant from committing further violations and may compel performance of any obligation imposed by this chapter or any rule or regulation adopted pursuant thereto.

In any such proceeding, it shall not be necessary to allege or prove that an adequate remedy at law does not exist.

In any such proceeding, the court shall award reasonable attorney's fees incurred by the commission therein and shall, upon entry of any final judgment, enjoin any such handler from further handling until payment is made for any judgment entered for money, and from further violating or aiding in violation of this chapter or any rule or regulation of the commission. No such proceeding may be commenced until the commission has exhausted its administrative procedures prescribed by the rules and regulations of the commission.

66642. Any person aggrieved by any action of the commission may appeal to the director. The director shall review the record of the proceedings before the commission. If the director finds that the record shows by substantial evidence that the commission's action was not an abuse of discretion or illegal, he shall dismiss such appeal. If he finds such action is not substantially sustained by the record, was an abuse of discretion, or illegal, he may reverse the action of the commission.

Any such decision of the director is subject to judicial review upon petition of the commission or any party aggrieved by the decision.

66643. Any person subject to this chapter and aggrieved by any provision of this chapter or by any rule or order of the commission shall comply with and exhaust the appeal procedure prescribed by the rules and regulations of the commission, before application is made to any court for relief therefrom. The decision of the commission unless illegal, arbitrary, or without evidentiary support, shall be final and conclusive.

66644. Any proceeding by the commission to enforce the provisions of this chapter or by a handler applying for relief from rules, orders, or regulations of the commission may be commenced either in the county in which the defendent or any of the defendants reside or in which any act or omission or part thereof complained of, occurred.

66645. It shall be a misdemeanor to do any of the following:

(a) For any person to violate or aid in the violation of any provision of this chapter or any rule or regulation of the commission.

(b) For any person to willfully render or furnish a false or fraudulent report, statement, or record required by the commission pursuant to the provisions of this chapter or any rules or regulations of the commission.

(c) For any person engaged in the handling of iceberg lettuce to fail or refuse to furnish to the commission or its duly authorized agents, upon request, information concerning the names and addresses of the persons from whom he has received iceberg lettuce and the quantity of such commodity so received.

66646. Agents of the commission, upon specific written authorization signed by the chairman or secretary of the commission, shall have the right to inspect the premises, books, records, documents, and all other instruments of any carrier, railroad, truck, boat, grower, shipper, handler, dealer, or retailer, to the extent such premises, books, records, documents and other instruments pertain to persons subject to the chapter for the purpose of enforcing this chapter and collecting the assessments levied under authority of this chapter. In the event of refusal of any person to allow such inspection, the commission may apply to any court for the issuance of a subpoena to compel such an inspection.

Article 7 Suspension of Operations

66661. Upon the finding of nine of the members of the commission that the operation of the provisions of this chapter has not tended to effectuate its declared purposes, the commission may recommend to the director that the operation of this chapter shall be suspended. No such suspension shall, however, become effective until the expiration of the fiscal year then current. The director shall, upon receipt of such recommendation, or upon a petition being filed with him requesting such suspension, signed by 20 percent of the handlers, cause a vote among handlers, in accordance with Section 66573, to determine if such operation and the operations of the commission shall be suspended, and shall establish a referendum period, which shall not be less than 30 nor more than 90 days after receipt by the director of such petition. The director is authorized to prescribe such additional procedure as may be necessary to conduct such referendum.

66662. At the close of the voting period established, the director shall tabulate the ballots filed during such period If at least 65 percent of the handlers have assented in writing for such suspension, and the handlers so voting marketed at least a majority of the total quantity of iceberg lettuce marketed in the preceding marketing season by all of the handlers who voted, or the majority of the handlers handling 65 percent of the total quantity of iceberg lettuce marketed in the preceding marketing season, the director shall declare the operation of the provisions of this chapter and of the

commission suspended, effective upon expiration of the current fiscal year.

66663. After the effective date of suspension of the operation of the provisions of this chapter and of the commission, as provided in Section 66662, the operations of the commission shall be wound up and any moneys remaining held by the commission, collected by assessment and not required to defray the expenses of winding up and terminating operations of the commission, shall be returned upon a pro rata basis to all handlers from whom assessments were collected in the immediately preceding current fiscal year. However, if the commission finds that the amounts so returnable are so de minimus as to make impractical the computation and remitting of such pro rata refund to such handlers, any moneys remaining after payment of all expenses of winding up and terminating operations shall be withdrawn from the approved depository and paid into the State Treasury as unclaimed trust moneys.

66664. Upon suspension of the operation of this chapter and of the commission, as provided in Sections 66662 and 66663, a notice thereof shall be posted on a public bulletin board to be maintained by the director in his or her office, and a copy of such notice shall be published in a newspaper of general circulation in each district. The director shall also mail a copy of the notice of suspension to any producers, shippers, and handlers affected by such suspension whose names and addresses are on file with the commission.

Article 8. Miscellaneous

66681. Nothing is this chapter shall apply to any order, rule, or regulation issued or issuable by the Public Utilities Commission or the Interstate Commerce Commission with respect to the operation of common carriers.

66682. In any civil or criminal action or proceeding for violation of the Cartwright Act, the Unfair Practices Act, Section 1673 of the Civil Code, or any rule of statutory or common law against monopolies or combinations in restraint of trade, proof that the act complained of was done in compliance with the provisions of this chapter or a rule or regulation of the commission issued pursuant thereto and in furtherance of purposes and provisions thereof, shall be a complete defense to such action or proceeding.

66683. The commission shall reimburse to the director all expenses incurred by the director in carrying out his duties and responsibilities under this chapter, except for the expenses incurred for any action under Section 66561.4.

66684. This chapter shall be liberally construed. If any section, clause, or part of this chapter is for any reason held to be unconstitutional or invalid as applied to any person or as applied under certain circumstances, such decision shall not affect the remaining portions of this chapter nor the application of this chapter to any other persons or under any other circumstances.

Article 9. Continuation

66701. Between January 1 and March 31 of each fifth calendar year commencing with the year 1982, the director shall cause a vote to be conducted among handlers in the manner prescribed in Section 66601 to determine whether the operations of the provisions of this chapter shall be reapproved and continued effective. The vote for approval and continuation shall be the same as used for the original approval of the provisions of this chapter. If a favorable vote has been given, the director shall so certify and announce to the commission and all provisions of this chapter shall remain in effect. If the director finds that a favorable vote has not been given, he shall so certify and announce to the commission and he shall declare the operation of the provisions of this chapter and the commission suspended upon the expiration of the current fiscal year ending March 31. Thereupon, the operations of the commission shall be wound up and funds distributed in the manner provided in Sections 66663 and 66664. No bond or security shall be required for any such referendum.

SEC 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local governmental entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 435

An act to amend Section 53091 of, and to add Section 53096 to, the Government Code, relating to zoning.

[Approved by Governor August 29, 1977 Filed with Secretary of State August 30, 1977]

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

SECTION 1. Section 53091 of the Government Code is amended to read.

53091 Each local agency shall comply with all applicable building ordinances and zoning ordinances of the county or city in which the territory of the local agency is situated. On projects for which state school building aid is requested by a local agency for construction of school facilities the county or city planning commission in which said agency is located shall consider in its review for approval information relating to attendance area enrollment, adequacy of the site upon which the construction is proposed, safety features of the site and proposed construction, and present and future land utilization, and

report thereon to the State Allocation Board. If the local agency is situated in more than one city or county or partly in a city and partly in a county, the local agency shall comply with such ordinances of each county or city with respect to the territory of the local agency which is situated in the particular county or city and the ordinances of a county or city shall not be applied to any portion of the territory of the local agency which is situated outside the boundaries of the county or city. Notwithstanding the preceding provisions of this section, this section does not require a school district or the state when acting under the State Contract Act to comply with the building ordinances of a county or city. Notwithstanding the preceding provisions of this section, this section does not require a school district to comply with the zoning ordinances of a county or city unless such zoning ordinance makes provision for the location of public schools and unless the city or county planning commission has adopted a master plan.

Each local agency required to comply with building ordinances and zoning ordinances pursuant to this section and each school district whose school buildings are inspected by a county or city pursuant to Section 53092 shall be subject to the provisions of the applicable ordinances of a county or city requiring the payment of fees but the amount of such fees charged a local agency or school district shall not exceed the amount charged under the ordinance to nongovernmental agencies for the same services or permits. Building ordinances of a county or city shall not apply to the location or construction of facilities for the production, generation, storage, or transmission of water or electrical energy by a local agency.

Zoning ordinances of a county or city shall not apply to the location or construction of facilities for the production, generation, storage, or transmission of water or for the the production or generation of electrical energy, nor to facilities which are subject to Section 12808.5 of the Public Utilities Code, nor to electrical substations in an electrical transmission system which receives electricity at less than 100,000 volts. Zoning ordinances of a county or city shall apply to the location or construction of facilities for the storage or transmission of electrical energy by a local agency; provided, that such zoning ordinances make provision for such facilities.

SEC. 2. Section 53096 is added to the Government Code, to read:

53096. (a) Notwithstanding any other provisions of this article, the governing board of a local agency, by vote of four-fifths of its members, may render a city or county zoning ordinance inapplicable to a proposed use of property if the local agency at a noticed public hearing determines by resolution that there is no feasible alternative to its proposal, except when the proposed use of the property by such local agency is for facilities not related to storage or transmission of water or electrical energy, including, but not limited to, warehouses, administrative buildings or automotive storage and repair buildings. The governing board of a local agency may make such determinations at the time it approves an environmental impact

report on its proposal required by Division 13 (commencing with Section 21000) of the Public Resources Code. Mailed notice of the public hearing shall be provided at least 10 days prior to the hearing, to the owners of all property within 300 feet of the location of the proposed facility and a notice shall be posted in a conspicuous place at the proposed site of such facility. If mailed notice as required above would result in notice to more than 250 persons, as an alternative to such mailed notice, notice may be given by placing a display advertisement of at least one-fourth page in a newspaper of general circulation within the area affected by the proposed facility and by posting such notice in a conspicuous place at the proposed site of such facility.

(b) The board shall, within 10 days, notify the city or county, whose zoning ordinance has been rendered inapplicable under subdivision (a), of such action. If such governing board has taken such action the city or county may commence an action in the superior court of the county whose zoning ordinance is involved or in which is situated the city whose zoning ordinance is involved, seeking a review of such action of the governing board to determine whether it was supported by substantial evidence. The evidence before the court shall include the record of the proceedings before the city, county, and district. The city or county shall cause a copy of the complaint to be served on the board. If the court determines that such action was not supported by substantial evidence, it shall declare it to be of no force and effect, and the zoning ordinance in question shall be applicable to the use of the property by such local agency.

(c) "Feasible" as used in this section means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors.

SEC. 3. The provisions of this act shall not apply to any facilities for which onsite construction has begun at the time this act becomes effective.

CHAPTER 436

An act to repeal Chapter 3 (commencing with Section 11301) of Part 4 of Division 5 of the Food and Agricultural Code, and to amend Section 2118 of the Fish and Game Code, relating to animals.

[Approved by Governor August 29, 1977 Filed with Secretary of State August 30, 1977.]

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

SECTION 1. Chapter 3 (commencing with Section 11301) of Part 4 of Division 5 of the Food and Agricultural Code is repealed.

SEC. 2. Section 2118 of the Fish and Game Code is amended to read:

2118. It is unlawful to import, transport, possess, or release alive into this state, except under a revocable, nontransferable permit as provided in this chapter and the regulations pertaining thereto, any wild animal of the following species:

(a) Class Aves: (birds)

Family Cuculidae (cuckoos)
All species.
Family Alaudidae (larks)
Skylark, Alauda arvensis
Family Corvidae (crows, jays, magpies)
All species.
Family Turdidae (thrushes)
European blackbird, Turdus merula
Missel (or mistle), thrush, Turdus viscivorus
Family Sturnidae (starlings and mynas or mynahs)
All species of the family, except hill myna (or hill mynah), Gracula religiosa (sometimes referred to as Eulabes religiosa)
Family Ploceidae (weavers)
The following species:
Spanish sparrow, Passer hispaniolensis
Italian sparrow, Passer italiae
European tree sparrow, Passer montanus
Cape sparrow, Passer capensis
Madagascar weaver, Foudia madagascariensis
Baya weaver, Ploceus baya
Hawaiian rice bird, Munia nisoria
Red-billed quelea, Quelea quelea
Red-headed quelea, Quelea erythrops
Family Fringillidae (sparrows, finches, buntings)
Yellowhammer, Emberiza citrinella

(b) Class Mammalia (mammals)

Order Primates
All species except those in family Homonidae.
Order Edentata (sloths, anteaters, armadillos, etc.)
All species.
Order Marsupialia (marsupials or pouched mammals)
All species.
Order Insectivora (shrews, moles, hedgehogs, etc.)
All species.
Order Dermoptera (gliding lemurs)
All species.
Order Chiroptera (bats)
All species.

Order Monotremata (spiny anteaters, platypuses)
All species.
Order Pholidota (pangolins, scaly anteaters)
All species.
Order Lagomorpha (pikas, rabbits, hares)
All species, except domesticated races of rabbits.
Order Rodentia (rodents)
All species, except domesticated golden hamsters, also known as Syrian hamster, Mesocricetus auratus; domesticated races of rats or mice (white or albino; trained, dancing or spinning, laboratory-reared); and domestic strains of guinea pig (Cavia porcellus).
Order Carnivora (carnivores)
All species, except domestic dogs (Canis familiaris) and domestic cats (Felis catus).
Order Tubulidentata (aardvarks)
All species.
Order Proboscidea (elephants)
All species.
Order Hyracoidea (hyraxes)
All species.
Order Sirenia (dugongs, manatees)
All species.
Order Perissodactyla (horses, zebras, tapirs, rhinoceroses, etc.)
All species except those of the family Equidae.
Order Artiodactyla (swine, peccaries, camels, deer, elk, moose, antelopes, cattle, goats, sheep, etc.)
All species except: domestic swine of the family Suidae; American bison, and domestic cattle, sheep and goats of the family Bovidae; races of big-horned sheep (Ovis canadensis) now or formerly indigenous to this state.

Mammals of the orders Primates, Edentata, Dermoptera, Monotremata, Pholidota, Tubulidentata, Proboscidea, Perissodactyla, Hyracoidea, Sirenia and Carnivora are restricted for the welfare of the animals, except animals of the families Viverridae and Mustelidae in the order Carnivora are restricted because such animals are undesirable and a menace to native wildlife, the agricultural interests of the state, or to the public health or safety.

(c) Class amphibia (frogs, toads, salamanders)
Family Bufonidae (toads)
Giant toad or marine toad, Bufo marinus

(d) Class Monorhina (lampreys)
All species.

(e) Class Osteichthyes (bony fishes)
Family Serranidae (bass)
White perch, Morone or Roccus americana
Family Clupeidae (herring)
Gizzard shad, Dorosoma cepedianum

Family Sciaenidae (croakers)
Freshwater sheepshead, Aplodinotus grunniens
Family Characidae (characins)
Banded tetra, Astyanax fasciatus
All species of piranhas
Family Lepisosteidae (gars)
All species.
Family Amiidae (bowfins)
All species.

(f) Class Reptilia (snakes, lizards, turtles, alligators)
Family Crocodilidae
All species.

(g) Class Crustacea (crustaceans)
Genus Cambarus (crayfishes)
All species.
Genus Astacus (crayfishes)
All species.
Genus Astacopsis (crayfishes)
All species.

(h) Class Gastropoda (slugs, snails, clams)
All species of slugs.
All species of land snails.

(i) Such other classes, orders, families, genera, and species of wild animals which may be designated by the commission in cooperation with the Department of Food and Agriculture, (a) when such class, order, family, genus or species is proved undesirable and a menace to native wildlife or the agricultural interests of the state, or (b) to provide for the welfare of wild animals.

(j) Classes, families, genera, and species in addition to those listed above may be added to or deleted from the above lists from time to time by commission regulations in cooperation with the Department of Food and Agriculture.

CHAPTER 437

An act to amend Section 32912 of the Food and Agricultural Code, relating to food and agriculture.

[Approved by Governor August 29, 1977 Filed with Secretary of State August 30, 1977]

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

SECTION 1. Section 32912 of the Food and Agricultural Code is amended to read:

32912. (a) Every milk product or product resembling a milk product at the time of sale to the retail trade shall be labeled and

billed with the correct name of the product.

(b) Every milk product or product resembling a milk product containing any ingredient other than a milk product, when packaged for intended sale, shall bear a label stating the common or usual name of each ingredient in descending order of predominance by weight. Any spice, flavoring, or coloring may be designated as spice, flavoring, or coloring without naming the ingredient of each one.

(c) The director shall, after public hearing, by regulations, establish requirements for ingredient labeling of milk products and products resembling milk products specified in subdivision (b), and for the form and placement of such ingredient statement on packages.

(d) Any labeling requirements adopted by the director under this section shall be consistent with any ingredient labeling requirements established pursuant to the Federal Food, Drug and Cosmetic Act.

(e) Initial regulations establishing requirements for ingredient labeling of frozen dairy products, and for the form and placement of such ingredient statement on packages, shall be adopted by the director pursuant to this section to become effective not later than April 1, 1978. Distributors of frozen dairy products shall conform labels on packages of frozen dairy products to such regulations not later than January 1, 1979. Such regulations may provide that as to a frozen dairy product packaged in the presence of the consumer purchasing such product at retail, the ingredient statement may be made available to the consumer in a manner other than by placement of such ingredient statement on the package.

(f) Regulations provided for in subdivision (e) of this section shall be adopted by the director and made effective not later than April 1, 1978, whether or not ingredient labeling requirements for frozen dairy products have by that time been established by regulations pursuant to the Federal Food, Drug and Cosmetic Act (21 U.S.C., Sec. 301 et seq.).

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local governmental entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 438

An act to amend Sections 1559 and 3051 of the Unemployment Insurance Code, relating to unemployment insurance.

[Approved by Governor August 29, 1977 Filed with Secretary of State August 30, 1977]

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

SECTION 1. Section 1559 of the Unemployment Insurance Code is amended to read:

1559. All money in the Unemployment Administration Fund shall be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as is provided by law for other special funds in the State Treasury, but the director may draw, without at the time furnishing vouchers and itemized statements, sums not to exceed in the aggregate one million five hundred thousand dollars ($1,500,000) to be used as a revolving fund where payment of compensation earned, traveling expense advances, payments under Sections 1786 and 1788, the fees, commissions and expenses authorized to be charged in connection with the levy of writs of attachment or execution under Article 7 (commencing with Section 26720) of Chapter 2 of Part 3 of Division 2 of Title 3 of the Government Code, or other cash payments are necessary. At the close of each fiscal year or at any other time, upon the demand of the Department of Finance, the money so drawn shall be accounted for and substantiated by vouchers and itemized statements submitted to and audited by the Controller.

SEC. 2. Section 3051 of the Unemployment Insurance Code is amended to read:

3051. There is a Disability Administration Account within the Disability Fund. The director may, without at the time furnishing vouchers and itemized statements, withdraw from this account sums not to exceed in the aggregate four hundred thousand dollars ($400,000) to be used as a revolving fund where payment of compensation earned, traveling expense advances, or other cash payments are necessary. At the close of each fiscal year or at any other time, upon the demand of the Department of Finance, the money so drawn shall be accounted for and substantiated by vouchers and itemized statements submitted to and audited by the Controller.

CHAPTER 439

An act to amend Section 2761 of, and to add Article 8 (commencing with Section 2834) to Chapter 6 of Division 2 of, the Business and Professions Code, relating to nurse practitioners.

[Approved by Governor August 29, 1977. Filed with Secretary of State August 30, 1977]

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

SECTION 1. Section 2761 of the Business and Professions Code is amended to read:

2761. The board may take disciplinary action against a licensed nurse or an applicant for a license for:

(a) Unprofessional conduct, which includes but is not limited to the following:

(1) Incompetence, or gross negligence in carrying out usual nursing functions.

(2) A conviction of practicing medicine without a license in violation of Chapter 5 of Division 2 of the Business and Professions Code, in which event the record of conviction shall be conclusive evidence thereof.

(3) The use of advertising relating to nursing which violates Section 17500 of this code.

(b) Procuring his certificate by fraud, misrepresentation, or mistake.

(c) Procuring, or aiding, or abetting, or attempting, or agreeing, or offering to procure or assist at a criminal abortion.

(d) Violating or attempting to violate, directly or indirectly, or assisting in or abetting the violating of, or conspiring to violate any provision or term of this chapter.

(e) Making or giving any false statement or information in connection with the application for issuance of a license.

(f) Conviction of a felony or of any offense involving moral turpitude, in which event the record of the conviction shall be conclusive evidence thereof.

(g) Impersonating any applicant or acting as proxy for an applicant in any examination required under this chapter for the issuance of a license.

(h) Impersonating another licensed practitioner, or permitting or allowing another person to use his certificate for the purpose of nursing the sick or afflicted.

(i) Aiding or assisting, or agreeing to aid or assist any person or persons, whether a licensed physician or not, in the performance of or arranging for a violation of any of the provisions of Article 13, Chapter 5, Division 2 of this code.

(j) Holding oneself out to the public or to any practitioner of the healing arts as a "nurse practitioner" or as meeting the standards established by the board for a nurse practitioner unless meeting the standards established by the board pursuant to Article 8 (commencing with Section 2834) of this chapter.

SEC. 2. Article 8 (commencing with Section 2834) is added to Chapter 6 of Division 2 of the Business and Professions Code, to read:

Article 8. Nurse Practitioners

2834. The Legislature finds that various and conflicting definitions of the nurse practitioner are being created by state agencies and private organizations within California. The Legislature also finds

that the public is harmed by conflicting usage of the title of nurse practitioner and lack of correspondence between use of the title and qualifications of the registered nurse using the title. Therefore, the Legislature finds the public interest served by determination of the legitimate use of the title "nurse practitioner" by registered nurses.

2835. No person shall advertise or hold himself out as a "nurse practitioner" who is not a nurse licensed under this chapter and does not, in additon, meet the standards for a nurse practitioner established by the board.

2836. The board shall establish categories of nurse practitioners and standards for nurses to hold themselves out as nurse practitioners in each category. Such standards shall take into account the types of advanced levels of nursing practice which are or may be performed and the clinical and didactic education, experience, or both needed to practice safely at those levels. In setting such standards, the board shall consult with nurse practitioners, physicians and surgeons with expertise in the nurse practitioner field, and health care organizations utilizing nurse practitioners. Established standards shall apply to persons without regard to the date of meeting such standards. If the board sets standards for use of nurse practitioner titles which include completion of an academically affiliated program, it shall provide equivalent standards for registered nurses who have not completed such a program.

2837. Nothing in this article shall be construed to limit the current scope of practice of a registered nurse authorized pursuant to this chapter.

SEC. 3. The Legislative Analyst shall report to the Legislature on or before January 1, 1980, on the standards adopted by the Board of Registered Nursing pursuant to this act.

CHAPTER 440

An act to add Sections 12749, 12749.1, and 12749.2 to the Water Code, relating to flood control.

[Approved by Governor August 29, 1977. Filed with Secretary of State August 30, 1977]

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

SECTION 1. Section 12749 is added to the Water Code, to read:

12749. The project for flood protection on Wildcat and San Pablo Creeks in Contra Costa County is adopted and authorized substantially in accordance with the recommendations of the Secretary of the Army and the Chief of Engineers in House Document Numbered 94-511, 94th Congress, Second Session, as authorized by the Senate Committee on Public Works Resolution adopted June 15, 1976, and the House Committee on Public Works

and Transportation Resolution adopted June 9, 1976, Docket number 201-70, pursuant to the provisions of Section 201 of Public Law 89-298, 89th Congress (79 Stat 1073) at an estimated cost to the state of such sum as may be appropriated for state cooperation by the Legislature upon the recommendation and advice of the department.

The department is authorized to loan the local agency the funds necessary to pay the local portion of the costs of lands, easements and rights-of-way, less any credits for lands acquired prior to authorization. The department is authorized to pay 50 percent of the nonfederal capital costs of the recreation and fish and wildlife enhancement features of the project.

SEC. 2. Section 12749.1 is added to the Water Code, to read:

12749.1. The Contra Costa County Flood Control and Water Conservation District shall give assurances satisfactory to the Secretary of the Army that the local cooperation, required by House Document Numbered 94-511, 94th Congress, Second Session, will be furnished by the district in connection with the project for flood control adopted and authorized in Section 12749.

SEC. 3. Section 12749.2 is added to the Water Code, to read:

12749.2. The Contra Costa County Flood Control and Water Conservation District, in conjunction with the Department of the Army, shall execute the plans and project referred to in Section 12749 and may make modifications and amendments to the plans as may be necessary to execute them for the purpose of Chapters 1 (commencing with Section 12570) and 2 (commencing with Section 12639) of this part.

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

CHAPTER 441

An act to amend Section 1950.5 of the Civil Code, relating to landlord-tenant.

[Approved by Governor August 29, 1977. Filed with Secretary of State August 30, 1977]

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

SECTION 1. Section 1950.5 of the Civil Code is amended to read:

1950.5. (a) Any payment or deposit of money the primary function of which is to secure the performance of a rental agreement or any part of such an agreement, other than a payment or deposit, including an advance payment of rent, made to secure the execution

of a rental agreement, shall be governed by the provisions of this section.

(b) Any such payment or deposit of money shall be held by the landlord for the tenant who is party to such agreement. The claim of a tenant to such payment or deposit shall be prior to the claim of any creditor of the landlord, except a trustee in bankruptcy.

(c) The landlord may claim of such payment or deposit only such amounts as are reasonably necessary to remedy tenant defaults in the payment of rent, to repair damages to the premises caused by the tenant, or to clean such premises upon termination of the tenancy, if the payment or deposit is made for any or all of those specific purposes. Any remaining portion of such payment or deposit shall be returned to the tenant no later than two weeks after termination of his tenancy.

(d) Upon termination of the landlord's interest in the dwelling unit in question, whether by sale, assignment, death, appointment of receiver or otherwise, the landlord or his agent shall, within a reasonable time, do one of the following acts, either of which shall relieve him of further liability with respect to such payment or deposit:

(1) Transfer the portion of such payment or deposit remaining after any lawful deductions made under subdivision (c) to the landlord's successor in interest, and thereafter notify the tenant by personal delivery or certified mail of such transfer, and of the transferee's name and address. If the notice to the tenant is made by personal delivery, the tenant shall acknowledge receipt of such notice and sign his name on the landlord's copy of such notice.

(2) Return the portion of such payment or deposit remaining after any lawful deductions made under subdivision (c) to the tenant.

(e) Upon receipt of any portion of such payment or deposit under paragraph (1) of subdivision (d), the transferee shall have all of the rights and obligations of a landlord holding such payment or deposit with respect to such payment or deposit.

(f) The bad faith retention by a landlord or transferee of a payment or deposit or any portion thereof, in violation of this section, may subject the landlord or his transferee to damages not to exceed two hundred dollars ($200), in addition to any actual damages.

(g) This section shall become operative on January 1, 1971, and shall apply only to payments or deposits made on or after such date.

The amendments to paragraph (1) of subdivision (d) of this section made at the 1977–78 Regular Session shall become operative on January 1, 1978, and shall apply only to payments or deposits made on or after such date.

CHAPTER 442

An act to amend Sections 4600 and 4601.5 of the Labor Code, relating to interpreter's fees, and making an appropriation therefor.

[Approved by Governor August 29, 1977. Filed with Secretary of State August 30, 1977.]

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

SECTION 1. Section 4600 of the Labor Code is amended to read:

4600. Medical, surgical, chiropractic, and hospital treatment, including nursing, medicines, medical and surgical supplies, crutches, and apparatus, including artificial members, which is reasonably required to cure or relieve from the effects of the injury shall be provided by the employer. In the case of his neglect or refusal seasonably to do so, the employer is liable for the reasonable expense incurred by or on behalf of the employee in providing treatment. After 30 days from the date the injury is reported, the employee may be treated by a physician of his own choice or at a facility of his own choice within a reasonable geographic area.

In accordance with the rules of practice and procedure of the appeals board, the employee, or the dependents of a deceased employee, shall be reimbursed for expenses reasonably, actually, and necessarily incurred for X-rays, laboratory fees, medical reports, medical testimony, and, as needed, interpreter's fees, to prove a contested claim. The reasonableness of and necessity for incurring such expenses to prove a contested claim shall be determined with respect to the time when such expenses were actually incurred. Expenses of medical testimony shall be presumed reasonable if in conformity with the fee schedule charges provided for impartial medical experts appointed by the administrative director.

Where at the request of the employer, the employer's insurance carrier, the administrative director, the appeals board or a referee, the employee submits to examination by a physician, he shall be entitled to receive in addition to all other benefits herein provided all reasonable expenses of transportation, meals and lodging incident to reporting for such examination, together with one day of temporary disability indemnity for each day of wages lost in submitting to such an examination. "Reasonable expenses of transportation" includes mileage fees from the employee's home to the place of the examination and back at the rate of fourteen cents ($0.14) a mile, plus any bridge tolls. Such mileage and tolls shall be paid to the employee at the time he is given notification of the time and place of the examination.

SEC. 2. Section 4601.5 of the Labor Code is amended to read:

4601.5. All fees and expenses of the employee, or the dependents of a deceased employee, incurred for X-rays, laboratory fees, medical reports, medical records, medical testimony, and, as needed,

interpreter's fees, necessary to prove a contested claim, for which the employer is liable under the second paragraph of Section 4600, shall, upon receipt by the employer of all reports and documents required by the administrative director incident to such services, be paid to whom said funds and expenses are due, as follows:

(a) Except as provided in subdivision (b), within 60 days after receipt by the employer of each separate, written billing, and where payment is not made within such period, that portion of the billed sum then unpaid shall be increased by 10 percent, together with interest thereon at the rate of 7 percent per annum. Where the employer, within the 60-day period, contests the reasonableness and necessity for incurring such fees, services, and expenses, payment shall be made within 20 days of the filing of an order of the appeals board directing payment.

(b) Where requested by the employee, or the dependents of a deceased employee, within 20 days from the filing of an order of the appeals board directing payment, and where payment is not made within such period, that portion of the billed sum then unpaid shall be increased by 10 percent, together with interest thereon at the rate of 7 percent per annum retroactive to the date of the filing of the order of the board directing payment.

The employer shall notify, in writing, the provider of the services, the employee, or if represented, his attorney, if the employer contests the reasonableness and necessity of incurring such expenses, and shall indicate the reasons therefor.

The provisions of Sections 5800 and 5814 shall not apply to this section.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because the duties, obligations, or responsibilities imposed on local government by this act are minor in nature and will not cause any financial burden to local government.

CHAPTER 443

An act to add Section 125.8 to the Business and Professions Code, relating to temporary restraining orders.

[Approved by Governor August 29, 1977 Filed with Secretary of State August 30, 1977]

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

SECTION 1. Section 125.8 is added to the Business and Professions Code, to read:

125.8. In addition to the remedy provided for in Section 125.5, the superior court for the county in which any licensee licensed under

Division 3 (commencing with Section 5000) or Chapter 2 (commencing with Section 18600) or Chapter 3 (commencing with Section 19000) of Division 8 has engaged or is about to engage in any act which constitutes a violation of a chapter of this code administered or enforced by a board referred to in Division 3 (commencing with Section 5000) or Chapter 2 (commencing with Section 18600) or Chapter 3 (commencing with Section 19000) of Division 8 may, upon a petition filed by the board and accompanied by an affidavit or affidavits in support thereof and a memorandum of points and authorities, issue a temporary restraining order or other appropriate order restraining the licensee from engaging in the business or profession for which the person is licensed or from any part thereof, in accordance with the provisions of this section.

(a) If the affidavits in support of the petition show that the licensee has engaged or is about to engage in acts or omissions constituting a violation of a chapter of this code and if the court is satisfied that permitting the licensee to continue to engage in the business or profession for which the license was issued will endanger the public health, safety, or welfare, the court may issue an order temporarily restraining the licensee from engaging in the profession for which he is licensed.

(b) Such order may not be issued without notice to the licensee unless it appears from facts shown by the affidavits that serious injury would result to the public before the matter can be heard on notice.

(c) Except as otherwise specifically provided by this section, proceedings under this section shall be governed by Chapter 3 (commencing with Section 525) of Title 7 of Part 2 of the Code of Civil Procedure, except that no undertaking shall be required.

(d) When a restraining order is issued pursuant to this section, or within a time to be allowed by the superior court, but in any case not more than 30 days after the restraining order is issued, an accusation shall be filed with the board pursuant to Section 11503 of the Government Code. The accusation shall be served upon the licensee as provided by Section 11505 of the Government Code. The licensee shall have all of the rights and privileges available as specified in Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code; however, if the licensee requests a hearing on the accusation, the board must provide the licensee with a hearing within 30 days of the request and a decision within 15 days of the date of the conclusion of the hearing, or the court may nullify the restraining order previously issued. Any restraining order issued pursuant to this section shall be dissolved by operation of law at such time the board's decision is subject to judicial review pursuant to Section 1094.5 of the Code of Civil Procedure.

SEC. 2. It is the intention of the Legislature that this act apply to each licensee of each board or bureau licensed under Division 3 (commencing with Section 5000) or Chapter 2 (commencing with Section 18600) or Chapter 3 (commencing with Section 19000) of Division 8 of the Business and Professions Code.

CHAPTER 444

An act to amend Section 98104 of the Public Utilities Code, relating to transit.

[Approved by Governor August 29, 1977. Filed with Secretary of State August 30, 1977]

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

SECTION 1. Section 98104 of the Public Utilities Code is amended to read:

98104. (a) Except as otherwise provided in this section, the term of office of each director shall be four years.

(b) For the board first appointed, at least one appointee of each legislative body shall have a two-year term.

(c) If the appointee of any legislative body is one of its own members, the appointee may serve only as long as the appointee is a member of the legislative body.

(d) An appointment to fill a vacancy on the board, or an appointment made after the expiration of the preceding term, shall be for the unexpired portion of the term.

(e) The failure of a board member to attend three consecutive meetings of the board without good cause shall create a vacancy in the office of the board member.

CHAPTER 445

An act to amend Section 25251 of, to amend and renumber Section 25251.1, and to add Section 25251.3 to, the Vehicle Code, relating to vehicles.

[Approved by Governor August 29, 1977. Filed with Secretary of State August 30, 1977]

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

SECTION 1. Section 25251 of the Vehicle Code is amended to read:

25251. (a) Flashing lights are permitted on vehicles as follows:

(1) To indicate an intention to turn or move to the right or left upon a roadway, turn signal lamps and turn signal exterior pilot indicator lamps and side lamps permitted under Section 25106 may be flashed on the side of a vehicle toward which the turn or movement is to be made.

(2) When disabled upon the roadway or when disabled or parked off the roadway but within 10 feet thereof, turn signal lamps may be flashed as warning lights if the front turn signal lamps at each side are being flashed simultaneously and the rear turn signal lamps at each side are being flashed simultaneously.

(3) To warn other motorists of accidents or hazards on a roadway, turn signal lamps may be flashed as warning lights while the vehicle is approaching, overtaking, or passing the accident or hazard on the roadway if the front turn signal lamps at each side are being flashed simultaneously and the rear turn signal lamps at each side are being flashed simultaneously.

(4) For use on authorized emergency vehicles.

(b) Side lamps permitted under Section 25106 and used in conjunction with turn signal lamps may be flashed with the turn signal lamps as part of the warning light system, as provided in paragraphs (2) and (3) of subdivision (a).

SEC. 2. Section 25251.1 of the Vehicle Code is amended and renumbered to read:

25251.5. Any motor vehicle may also be equipped with a system in which an amber light is center mounted on the rear of a vehicle to communicate a component of deceleration of the vehicle, and which light pulses in a controlled fashion at a rate which varies exponentially with a component of deceleration.

SEC. 3. Section 25251.3 is added to the Vehicle Code, to read:

25251.3. No civil liability shall attach to any person for the use or nonuse of turn signal lamps in the manner permitted by paragraph (3) of subdivision (a) of Section 25251, except for such civil liability as would attach for the use or nonuse of any other device required by this article or Article 8 (commencing with Section 25300).

SEC. 4. During 1978 the Department of Motor Vehicles shall publicize information regarding the proper use of turn signal lamps as a warning device pursuant to paragraph (3) of subdivision (a) of Section 25251 of the Vehicle Code and shall encourage that use of turn signal lamps by the motoring public.

CHAPTER 446

An act making an appropriation in augmentation of Item 307 of the Budget Act of 1976, relating to the Department of Corrections, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 29, 1977. Filed with Secretary of State August 30, 1977.]

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

SECTION 1. The sum of one hundred ninety-eight thousand one hundred thirty-four dollars ($198,134) is hereby appropriated from the General Fund to the Department of Corrections in augmentation of Item 307 of the Budget Act of 1976 (Chapter 320, Statutes of 1976), for use by the Adult Authority in providing annual review hearings for inmates who have received a parole release date.

SEC. 2. This act is an urgency statute necessary for the immediate

preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

The funds appropriated by this act are necessary for the Adult Authority to provide progress review hearings for inmates who have received a parole release date in compliance with a recent California Appellate Court decision. In order for the provisions of this act to be able to augment the Budget Act of 1976, and thereby enable the Adult Authority to so comply at the earliest possible time, it is necessary that this act go into immediate effect.

CHAPTER 447

An act relating to the Forms Management Center, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 29, 1977. Filed with Secretary of State August 30, 1977.]

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

SECTION 1. There is hereby appropriated from the General Fund the sum of two hundred fifty thousand dollars ($250,000) to the Forms Management Center in the Department of General Services, for expenditure during the 1977–78 fiscal year, for the purpose of carrying out its functions and duties pursuant to Chapter 5.5 (commencing with Section 14770) of Part 5.5 of Division 3 of Title 2 of the Government Code.

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

In order for this bill to take effect in time to implement its provisions at the beginning of the 1977–78 fiscal year, it is necessary for the provisions of this bill to take effect immediately.

CHAPTER 448

An act to add Section 5540.5 to the Public Resources Code, relating to the regional park, park and open-space, and open-space districts.

[Approved by Governor August 29, 1977. Filed with Secretary of State August 30, 1977.]

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

SECTION 1. Section 5540.5 is added to the Public Resources Code, to read:

5540.5. Notwithstanding the provisions of Section 5540, a district may, with the approval by a unanimous vote of the members of its board of directors, exchange any real property dedicated and used for park or open-space, or both, purposes for real property that the board of directors determines to be of equal value and is necessary to be acquired for park or open-space, or both, purposes.

A district shall not in any calendar year exchange more than 10 acres of such district-owned real property pursuant to this section for other real property, and any real property acquired by the district shall be adjacent to other real property owned by the district.

CHAPTER 449

An act relating to school districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 29, 1977. Filed with Secretary of State August 30, 1977.]

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

SECTION 1. Notwithstanding any other provision of law, any election conducted pursuant to former Section 20803.2 of the Education Code for the lease or lease-purchase of sites, buildings, or facilities by the governing board of any school district, as authorized by former Section 15708 of the Education Code, that has occurred subsequent to the enactment of Chapter 96 of the Statutes of 1975 and prior to April 30, 1977, is hereby ratified, validated, and confirmed, and declared to be legally effective for all purposes.

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

On March 8, 1977, in at least one school district in the state, the voters approved an increase in the maximum tax rate in order to permit the governing board to enter into a lease agreement for additional facilities which are desperately needed. A minor procedural problem, however, has placed the validity of the election in question. In order to insure the validity of the election and permit the lease of the property at the earliest possible time, it is essential that this act take immediate effect.

CHAPTER 450

An act to amend Section 387 of the Code of Civil Procedure, relating to intervention.

[Approved by Governor August 29, 1977. Filed with Secretary of State August 30, 1977.]

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

SECTION 1. Section 387 of the Code of Civil Procedure is amended to read:

387. (a) Upon timely application, any person, who has an interest in the matter in litigation, or in the success of either of the parties, or an interest against both, may intervene in the action or proceeding. An intervention takes place when a third person is permitted to become a party to an action or proceeding between other persons, either by joining the plaintiff in claiming what is sought by the complaint, or by uniting with the defendant in resisting the claims of the plaintiff, or by demanding anything adversely to both the plaintiff and the defendant, and is made by complaint, setting forth the grounds upon which the intervention rests, filed by leave of the court and served upon the parties to the action or proceeding who have not appeared in the same manner as upon the commencement of an original action, and upon the attorneys of the parties who have appeared, or upon the party if he has appeared without an attorney, in the manner provided for service of summons or in the manner provided by Chapter 5 (commencing with Section 1010) Title 14 of Part 2. A party served with a complaint in intervention may within 30 days after service move, demur, or otherwise plead to the complaint in the same manner as to an original complaint.

(b) If any provision of law confers an unconditional right to intervene or if the person seeking intervention claims an interest relating to the property or transaction which is the subject of the action and that person is so situated that the disposition of the action may as a practical matter impair or impede that person's ability to protect that interest, unless that person's interest is adequately represented by existing parties, the court shall, upon timely application, permit that person to intervene.

CHAPTER 451

An act to amend Section 11050.5 of the Penal Code, relating to laboratory and technical assistance.

[Approved by Governor August 29, 1977. Filed with Secretary of State August 30, 1977.]

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

SECTION 1. Section 11050.5 of the Penal Code is amended to read:

11050.5. (a) The Attorney General may, upon the request of any district attorney, sheriff, chief of police, or other local, state or federal law enforcement official, make available to such official so requesting, the department's laboratory facilities and personnel and the department's technical experts, including but not limited to such personnel as fingerprint examiners, criminalists, document examiners and intelligence specialists for the purpose of assisting in the investigation of criminal matters, the detection of crimes and the apprehension or prosecution of criminals.

(b) The Attorney General may, upon the request of any public defender or private defense counsel appointed by the court, make available to such public defender or such private appointed counsel, the department's laboratory facilities and personnel and the department's technical experts, including but not limited to such personnel as fingerprint examiners, criminalists, document examiners and intelligence specialists for the purpose of assisting in the representation by such public defender or private appointed counsel of persons in criminal proceedings. The Attorney General may contract with each county whose public defender or such private appointed counsel makes requests pursuant to this subdivision for the payment of the reasonable costs of time and material in making available information, services or facilities pursuant to this subdivision. No information, services or facilities shall be made available to such public defender or private appointed counsel unless the county so contracts with the Attorney General.

(c) A copy of any information, including the results of any analysis, furnished by the Attorney General to a public defender, or private defense counsel appointed by the court, pursuant to subdivision (b) shall be sent to the district attorney of the county in which the public defender is located. If this subdivision or its application to any person or circumstance is invalid, subdivision (b) shall not be operative.

CHAPTER 452

An act to amend Section 11518 of, and to repeal and add Sections 11504 and 11704 of, the Vehicle Code, relating to occupational licensing.

[Approved by Governor August 29, 1977. Filed with Secretary of State August 30, 1977]

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

SECTION 1. Section 11504 of the Vehicle Code is repealed.

SEC. 2. Section 11504 is added to the Vehicle Code, to read:

11504. (a) Every applicant who applies for a license pursuant to Section 11501 shall submit an application to the department on the forms prescribed by the department. Such applicant shall provide the department with information as to the applicant's character, honesty, integrity, and reputation, as the department may consider necessary. The department, by regulation, shall prescribe what information is required of such an applicant for the purposes of this subdivision.

(b) Upon receipt of an application for a license which is accompanied by the appropriate fee, the department shall, within 120 days, make a thorough investigation of the information contained in the application.

(c) Every person holding a license issued pursuant to Section 11501 shall notify the department, within 10 days, of any change in the ownership or corporate structure of the licensee.

SEC. 3. Section 11518 of the Vehicle Code is amended to read:

11518. The special plates and license provided for in this chapter shall be automatically canceled:

(a) Upon the abandonment of the established place of business of the automobile dismantler or the change thereof without notice to the department as provided in Section 11513.

(b) Upon the voluntary or involuntary surrender for any cause by the licensee of the special plates and license; provided, that such surrender, or the cessation of business by the licensee, or the suspension of the corporate charter of the licensee by the State of California, shall not prevent the filing of an accusation for revocation or suspension of the surrendered license as provided in Section 11509, and the department's decision that such license should be suspended or revoked; and provided further, that such decision may be considered in granting or refusing to grant any subsequent license authorized by this division to such licensee, copartner, or any officer, director, or stockholder of such prior licensee.

(c) When the person designated as licensee has changed, except that the special plates issued to the original licensee may be transferred upon application as provided in Section 11501 and the newly designated licensee as transferee thereof shall succeed to the privileges evidenced by such plates until the expiration thereof.

(d) Upon the cancellation of the corporate charter of the licensee by the State of California.

SEC. 4. Section 11704 of the Vehicle Code is repealed.

SEC. 5. Section 11704 is added to the Vehicle Code, to read:

11704. (a) Every applicant who applies for a license pursuant to Section 11701 shall submit an application to the department on the forms prescribed by the department. Such applicant shall provide the department with information as to the applicant's character, honesty, integrity, and reputation, as the department may consider necessary. The department, by regulation, shall prescribe what

information is required of such an applicant for the purposes of this subdivision.

(b) Upon receipt of an application for a license which is accompanied by the appropriate fee, the department shall, within 120 days, make a thorough investigation of the information contained in the application.

(c) Every person holding a license issued pursuant to Section 11701 shall notify the department, within 10 days, of any change in the ownership or corporate structure of the licensee.

CHAPTER 453

An act to amend Sections 1461.1 and 1754 of the Probate Code, relating to the establishment of guardianships and conservatorships.

[Approved by Governor August 29, 1977. Filed with Secretary of State August 30, 1977.]

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

SECTION 1. Section 1461.1 of the Probate Code is amended to read:

1461.1. Upon receipt of the affidavit or certificate attesting to the proposed wards inability to attend the hearing, the court shall appoint a court investigator to personally interview the proposed ward and to inform him as to the contents of the citation, the nature, purpose and effect of the proceeding, and of his right to oppose the proceeding, attend the hearing, have the matter tried by jury and be represented by counsel. The investigator shall also determine whether it appears that the proposed ward is unable to attend the hearing, whether the proposed ward wishes to contest the establishment of the guardianship, whether the proposed ward objects to the proposed guardian or whether he or she prefers another person to act as guardian, whether the proposed ward wishes to be represented by counsel, and if so, whether the proposed ward has retained counsel, and if not, the name of an attorney the proposed ward wishes to retain.

The court investigator shall report his findings, including the proposed ward's express statement concerning representation by counsel, in writing, to the court at least five days before the date set for hearing.

As used in this chapter, a "court investigator" or "investigator" is a person trained in law who is an officer or special appointee of the court with no personal or other beneficial interest in the proceedings.

SEC. 2. Section 1754 of the Probate Code is amended to read:

1754. Any person or any relative or friend of any person, other than a creditor of the proposed conservatee, may file a verified petition

alleging that the appointment of a conservator is required. The petition shall set forth, so far as they are known to the petitioner, the names and residences of the spouse, if any, and of the relatives of the proposed conservatee within the second degree. Upon the filing of the petition, the clerk shall set the petition for hearing by the court. Notice of the nature of the proceedings and of the time and place of the hearing on the petition shall be mailed by the petitioner to the spouse, if any, and to each of such relatives, and if the proposed conservatee is an "absentee" as defined in Section 1751.5, to the secretary concerned or to the head of the United States department or agency concerned, as the case may be, at least 15 days before such hearing date. If the proposed conservatee is an "absentee," as defined in Section 1751.5, such notice shall also be published pursuant to Section 6061 of the Government Code in a newspaper of general circulation in the county in which the proceedings will be held.

If the petition is filed by a person other than the proposed conservatee, the clerk shall issue a citation directed to the proposed conservatee setting forth the time and place of the hearing. The citation shall include a specific delineation of the legal standards by which the need for a conservatorship is adjudged as stated in Section 1751, and shall state that the proposed conservator may be adjudged unable to provide for his personal needs or manage his financial resources, and by reason thereof, a conservator may be appointed for his person and property or person or property, that such adjudication may transfer the proposed conservatees' right to contract, manage and control his property, and to fix his residence to the appointed conservator, that the court or a court investigator will explain the nature, purpose and effect of the proceeding to the proposed conservatee and answer questions concerning such explanation, that the proposed conservatee shall have the right to appear at such hearing and oppose such petition, that he shall have the right to legal counsel of his own choosing, including the right to have legal counsel appointed for him by the court if he is unable to retain one, and that he has the right to a jury trial if he so desires.

The citation, and a copy of the petition, shall be served upon the proposed conservatee in the same manner provided for in Section 415.10 or 415.30 of the Code of Civil Procedure or in such manner as may be authorized by the court, at least 10 days before the time of the hearing. No such citation shall, however, be required if the proposed conservatee is an "absentee" as defined in Section 1751.5.

The proposed conservatee, if he is the petitioner, or if he is in the state at date of service and, if able to attend, shall be produced at the hearing, and, if not able to attend by reason of medical inability, such inability shall be established by the affidavit or certificate of a duly licensed medical practitioner. If the proposed conservatee is an adherent of a religion whose tenets and practices call for reliance on prayer alone for healing and is under treatment by an accredited practitioner of such religion, an affidavit as to his or her medical inability to attend by an accredited practitioner shall be acceptable.

Emotional or psychological instability shall not be considered good cause for the absence of the proposed conservatee within the meaning of this section, unless, by reason of such instability, attendance at the hearing is likely to cause serious and immediate physiological damage to the proposed conservatee. The medical affidavit shall be evidence only of the proposed conservatee's medical inability to attend the hearing and shall not be considered in determining the issue of need for appointment of a conservator. If the proposed conservatee is an "absentee" as defined in Section 1751.5 his inability to attend the hearing shall be established by a certificate complying with Section 1283 of the Evidence Code, showing the determination of the Secretary of the Military Department or the head of the department, or agency concerned or his delegate, as the case may be, that the "absentee" is in missing status.

Upon the receipt of the affidavit or certificate attesting to the proposed conservatee's inability to attend the hearing, the court shall appoint a court investigator to personally interview the proposed conservatee and to inform him as to the contents of the citation, the nature, purpose and effect of the proceeding, and of his right to oppose the proceeding, attend the hearing, have the matter tried by jury and be represented by counsel. The investigator shall also determine whether it appears that the proposed conservatee is unable to attend the hearing, whether the proposed conservatee wishes to contest the establishment of the conservatorship, whether the proposed conservatee objects to the proposed conservator or whether he or she prefers another person to act as conservator, whether the proposed conservatee wishes to be represented by counsel, and if so, whether the proposed conservatee has retained counsel, and if not, the name of an attorney the proposed conservatee wishes to retain.

The court investigator shall report his findings, including the proposed conservatee's express statement concerning representation by counsel, in writing, to the court at least five days before the date set for hearing.

As used in this chapter, a "court investigator" or "investigator" is a person trained in law who is an officer or special appointee of the court with no personal or other beneficial interest in proceedings.

Whenever a notice to any officer or agency of this state or of the United States would be required upon a petition for the appointment of a guardian of an alleged incompetent person a like notice shall be given of a petition under this chapter. Any officer or agency of this state or of the United States, or the authorized delegate thereof, or any relative or friend of the proposed conservatee, or the proposed conservatee himself, may appear and oppose the petition.

CHAPTER 454

An act to add Section 2190 to the Revenue and Taxation Code, relating to taxation.

[Approved by Governor August 29, 1977. Filed with Secretary of State August 30, 1977.]

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

SECTION 1. Section 2190 is added to the Revenue and Taxation Code, to read:

2190. Notwithstanding any provision of law to the contrary, the assessment of any possessory interest in tax-exempt real estate to which the exemption authorized by Section 218 of this code has been applied shall be entered on the secured roll; provided, however, that such assessment shall not be a lien on such tax-exempt real estate and such fact shall be noted on the secured roll.

If the tax thereon is unpaid when the last installment of taxes on the secured roll become delinquent, the tax collector may use the procedures which are applicable to the collection of taxes on property contained on the unsecured roll.

If the tax thereon remains unpaid at the time set for the sale to the state for taxes unpaid on the secured roll, the tax applicable to such possessory interest together with such penalties and costs as may have accrued thereon while on the secured roll shall be transferred to the unsecured roll.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because the duties, obligations or responsibilities imposed on local governmental entities or school districts by this act are such that related costs are incurred as part of their normal operating procedures.

CHAPTER 455

An act to amend Sections 35631, 35971, 36003, 38350, and 61807 of the Food and Agricultural Code, relating to milk and milk products.

[Approved by Governor August 29, 1977. Filed with Secretary of State August 30, 1977.]

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

SECTION 1. Section 35631 of the Food and Agricultural Code is amended to read:

35631. Cream shall be fresh and clean. It shall contain not less than 18 percent of milk fat.

SEC. 2. Section 35971 of the Food and Agricultural Code is

amended to read:

35971. Half-and-half is a pasteurized market milk product. It shall contain not less than 10.5 percent of milk fat and it shall contain not more than 20,000 bacteria per milliliter or more than 10 coliform bacteria per milliliter at the time of delivery to the consumer. It shall be subject to degrading or exclusion based upon excess bacteria pursuant to Article 14 (commencing with Section 36121) of this chapter and reestablishment pursuant to Article 15 (commencing with Section 36151) of this chapter.

SEC. 3. Section 36003 of the Food and Agricultural Code is amended to read:

36003. In the labeling, advertising, and sale of market cream only the following designations may be used:

(a) Heavy cream or heavy whipping cream which shall have a milk fat content of not less than 36 percent.

(b) Whipping cream or light whipping cream which shall have a milk fat content of not less than 30 percent.

(c) Table cream, light cream, or coffee cream which shall have a milk fat content of not less than 18 percent.

SEC. 4. Section 38350 of the Food and Agricultural Code is amended to read:

38350. Sterilized half-and-half is a product consisting of milk, cream, nonfat dry milk and skim milk to which edible stabilizers and stabilizing salts may be added. It shall contain not less than 10.5 percent milk fat and not more than six-tenths of 1 percent stabilizer. Sterilized half-and-half shall be conspicuously labeled with the full name of the product and shall also be labeled with the name and address of the distributor. Wherever the name of the product appears on the container the full name shall be used, and although the height, style and color of the lettering of the name need not be uniform at all places on the container, wherever the name appears on the container all of the letters of the name shall be there shown in the same height, style and color. All ingredients shall be listed on the label in their order of predominance. It shall be subjected to a temperature high enough to sterilize the product and be packaged in hermetically sealed containers.

SEC. 5. Section 61807 of the Food and Agricultural Code is amended to read:

61807. "Fluid cream" means cream, as defined in this code, and any combination of cream and milk, or any fluid product of milk or cream which is sold under any trade name whatsoever, which complies with all of the following requirements:

(a) Is not packaged in hermetically sealed containers.

(b) Contains more than 10.5 percent milk fat.

(c) Conforms to the health and sanitary regulations of the place where it is sold or disposed of for human consumption.

CHAPTER 456

An act to amend Sections 4452, 5014, 5015, 5016.5, 5017, and 5911 of, and to repeal Section 6854 of, the Vehicle Code, relating to vehicles, and making an appropriation therefor.

[Approved by Governor August 29, 1977. Filed with Secretary of State August 30, 1977.]

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

SECTION 1. Section 4452 of the Vehicle Code is amended to read:

4452. The department may issue a certificate of ownership to the legal owner of a vehicle without requiring registration, and may issue a facsimile copy of the certificate to the owner if there is no legal owner, subject to the following conditions:

(a) The application shall be submitted in proper form.

(b) A certificate of the owner shall be filed with the department that the vehicle has not been driven, moved, or left standing upon any highway so as to require payment of fees and that the owner will not thereafter permit such operation or movement of the vehicle or leave such vehicle standing on any highway without surrendering or arranging to surrender the certificate of ownership to the department and without first making application for regular registration of such vehicle and full payment of all fees required to be paid under this code and Part 5 (commencing with Section 10701) of Division 2 of the Revenue and Taxation Code.

SEC. 2. Section 5014 of the Vehicle Code is amended to read:

5014. An application by a person other than a manufacturer or dealer for an identification plate for special construction equipment, cemetery equipment, special mobile equipment, or logging vehicle shall include the following:

(a) A statement by the owner of the use or uses which he intends to make of the equipment.

(b) A description of the vehicle, including any distinctive marks or features.

(c) A photograph of the vehicle. Only one photograph of one piece of equipment shall be required to be attached to the application when identification plates are to be obtained for more than one piece of equipment, each of which is of the same identical type.

(d) Such other information as may reasonably be required by the department to determine whether the applicant is entitled to be issued an identification plate.

SEC. 3. Section 5015 of the Vehicle Code is amended to read:

5015. The application for an identification plate for special construction equipment, special mobile equipment, cemetery equipment, and any logging vehicle shall be made before any such piece of equipment is moved over a highway.

SEC. 4. Section 5016.5 of the Vehicle Code is amended to read:

5016.5. (a) The department may issue a special identification plate or other suitable device to a manufacturer or dealer of special construction equipment, special mobile equipment, cemetery equipment, or logging vehicle upon payment of the fee specified in Section 9261. The identification plate or other suitable device shall be of a size, color, and configuration determined by the department. The form of the application shall also be determined by the department.

(b) A manufacturer or dealer of special construction equipment, special mobile equipment, cemetery equipment, or any logging vehicle, may operate or move such equipment or vehicle upon the highways during the delivery of or during the demonstration for the sale of such piece of equipment or vehicle upon condition that any such equipment or vehicle display thereon an identification plate or other suitable device issued to such manufacturer or dealer; provided, that special permits have been obtained in accordance with the provisions of Article 6 (commencing with Section 35780) of Chapter 5 of Division 15 for the operation or movement of any such equipment or vehicle of a size, weight, or load exceeding the maximum specified in this code.

SEC. 5. Section 5017 of the Vehicle Code is amended to read:

5017. Each identification plate issued under Section 5016 shall bear a distinctive number to identify the equipment or logging vehicle for which it is issued. The owner, upon being issued a plate, shall attach it to the equipment or logging vehicle for which it is issued and shall carry the identification card issued by the department as provided by Section 4454. It shall be unlawful for any person to attach or use the plate upon any other equipment or vehicle. If the equipment or logging vehicle is destroyed or the ownership thereof transferred to another person, the person to whom the plate was issued shall first remove the plate and, within 10 days after removing the plate, return it to the department, together with a notice, on a form approved by the department, that the equipment or logging vehicle has been destroyed or the ownership thereof transferred to another person.

SEC. 6. Section 5911 of the Vehicle Code is amended to read:

5911. Whenever application is made to the department for a transfer of registration of a vehicle to a new owner or legal owner and the applicant is unable to present the certificate of ownership or registration card issued for the vehicle by reason of the same being lost or otherwise not available, the department may receive the application and examine into the circumstances of the case and may require the filing of certifications or other information, and when the department is satisfied that the applicant is entitled to a transfer of registration the department may transfer the registration of the vehicle, or reregister the vehicle under a new registration number, and issue a new certificate of ownership and registration card to the person or persons found to be entitled thereto. The department, however, shall not issue a new certificate of ownership and registration card to the applicant if the department has received

notice by registered or certified mail in which it is indicated that the existing ownership certificate is being held for nonpayment of the vehicle. Such notice may be forwarded by the registered owner, recorded lienholder, or by a person exempted from recording ownership by Section 5906.

SEC. 7. Section 6854 of the Vehicle Code is repealed.

CHAPTER 457

An act to amend Sections 73642, 73643, 73644, 73648, 73952, 73953, 73953.1, 74342, 74343, 74343.1, 74343.2, 74350, 74357, 74361, 74364, 74370, 74374, 74741, 74742, 74743, and 74746, of, to add Section 74749 to, and to repeal Sections 73645.1, 74343.3, 74343.5, 74343.6, and 74343.7 of, the Government Code, relating to courts.

[Became law without Governor's signature August 30, 1977.
Filed with Secretary of State August 30, 1977.]

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

SECTION 1. Section 73642 of the Government Code is amended to read:

73642. There shall be one clerk-administrative officer who shall be appointed by the judges of the court and who shall receive a biweekly salary at a rate specified in Range No. 57.46 of the salary schedule incorporated by Section 74343.1. In no event shall the salary of the clerk-administrative officer be less than 25 percent higher than that specified for the position of assistant clerk-administrative officer. Appointment to such position shall be at step C of the salary schedule unless the appointee is entitled to a higher step under the provisions of subdivision (c) of Section 74350.

SEC. 2. Section 73643 of the Government Code is amended to read:

73643. The clerk-administrative officer may appoint with the approval of the judges:

(a) One assistant clerk-administrative officer who shall receive a biweekly salary at the rate specified in Range No. 52.46. In no event shall the compensation of the assistant clerk-administrative officer be more than 20 percent below that specified for the assistant clerk of the San Diego Judicial District.

(b) Six supervising deputy clerks, each of whom shall receive a biweekly salary at the rate specified in Range No. 44.46.

(c) Eleven deputy clerks IV, each of whom shall receive a biweekly salary at the rate specified in Range No. 42.96.

(d) Thirteen deputy clerks III, each of whom shall receive a biweekly salary at the rate specified in Range No. 37.50.

(e) Thirty-two deputy clerks II or I as the case may be. Each deputy clerk II shall receive a biweekly salary at the rate specified

in Range No. 35.00. Each deputy clerk I shall receive a biweekly salary at the rate specified in Range No. 33.00.

(f) Four deputy clerks who shall be data entry operators, each of whom shall receive a biweekly salary at a rate specified in Range No. 34.10. At the election of the clerk-administrative officer, one of such deputy clerks may be assigned as data entry supervisor and upon such assignment shall receive a biweekly salary at a rate 5 percent higher than that specified herein.

(g) One court interpreter who shall receive the biweekly salary specified in Range 36.50.

(h) Any person occupying a position specified in subdivision (b), (c), (d), or (e) and performing as a certified interpreter shall be paid additional compensation at the biweekly rate specified for bilingual ability in the salary ordinance of the County of San Diego, except that no more than three such certified interpreters shall be so compensated at any one time.

The value, in dollars, of each monthly salary herein shall be at the rates indicated opposite the respective range number in the salary schedule incorporated by Section 74343.1, and the provisions of subdivisions (a), (b), (c), (d), and (e) of that section are applicable to the attachés appointed pursuant to this section. In no event shall the salary of the clerk-administrative officer, assistant clerk-administrative officer or any deputy clerk who occupied his position on the day prior to the effective date of this section be less than his salary on such day.

SEC. 3. Section 73644 of the Government Code is amended to read:

73644. By order entered in the minutes of the court, a majority of judges may appoint two judicial secretaries who shall be attachés of the court. The judicial secretaries shall receive a biweekly salary at the rate specified in Range No. 39.30 of the salary schedule provided in Section 74343.1, commencing at step D at initial employment and advancing to step E at the end of one year of continuous service.

The position of judicial secretary shall be deemed comparable to the position of assistant secretary authorized by Section 69892. Whenever the salary of assistant secretary is adjusted by the board of supervisors, a commensurate adjustment shall be made to the salary of the judicial secretaries and shall be effective on the same date as the effective date of the assistant secretary salary adjustment. But any such adjustment shall not be more than 20 percent higher or 20 percent lower than the range specified by this section and shall be effective only until January 1, 1980.

Notwithstanding the provisions of Section 73648, the judicial secretaries shall receive and be entitled to the same vacations, sick leave, leaves of absence and similar privileges and benefits as are now or may hereafter be provided for by rule for the assistant secretaries of the Superior Court of the County of San Diego by the judges thereof.

SEC. 4. Section 73645.1 of the Government Code is repealed.

SEC. 5. Section 73648 of the Government Code is amended to read:

73648. (a) All persons holding positions on the effective date of any amendments to this article shall continue in their respective positions without further examination or qualification and at the added compensation provided in this article, including increments for continuous prior service in such positions in the court. Any person whose title is changed as a result of any amendments to this article shall receive credit for continued service to which he would be entitled under his previous position and shall receive compensation at the step covering such length of service. Thereafter, any increments earned by additional service in grade shall take effect upon the first day of the pay period following completion of such required service.

(b) In addition to the compensation provided in this article, the classifications of attachés of the municipal court shall receive, and they shall be entitled to the same vacations, holidays, sick leave, leaves of absence, bilingual pay, merit pay increases, retirement benefits and similar privileges and benefits as are now or may hereafter be provided for the employees of the County of San Diego in the comparable classifications specified in subdivision (e) of Section 74343.1, including the right to participate in a retirement plan, and in any group health, accident or life insurance plan adopted by the Board of Supervisors of San Diego County, and in the tuition refund and suggestion awards programs adopted by the board. For purposes of this subdivision only, the clerk and assistant clerk shall receive the same privileges and benefits as are received by the classifications of probation officer and chief assistant probation officer, respectively, of the classified civil service of the County of San Diego. The term "same privileges and benefits" for purposes of this section shall include, but not be limited to, any benefits which are available to comparable classifications in the classified civil service of San Diego County pursuant to the provisions of any ordinance of the County of San Diego which credit to a member of the San Diego County Employees Retirement System extra days or fractions thereof, of service for retirement purposes for each day of uncompensated sick leave and deferred compensation benefits. Changes in privileges and benefits shall be effective on the same date as those for employees of the County of San Diego in comparable classifications. The majority of all the municipal court judges may adopt rules for the conduct of and personnel privileges to be afforded the attachés of the court.

(c) All attachés may be appointed, promoted, removed, suspended or discharged for cause by the appointing authority subject in such appointment, promotion, removal, suspension or discharge to civil service provisions applicable to the classified personnel of San Diego County. Whenever a person or attaché is appointed or promoted to a position, such person or attaché shall

serve a probationary period of at least six months.

(d) Notwithstanding the provisions of Section 71183, a person appointed by the clerk from an eligible list certified by the Civil Service Commission of the County of San Diego to fill a temporary position established pursuant to Section 72150 and employed in such temporary position immediately prior to the effective date of any amendments to this article, may be appointed by such clerk to a like permanent position in such clerk's office without further examination, qualification or certification on a civil service eligible list; provided, that the number of such positions in the clerk's office has been increased so as to make such temporary position a permanent position.

SEC. 6. Section 73952 of the Government Code is amended to read:

73952. There shall be one clerk-administrative officer, who shall be appointed by the judges of the court and who shall receive a biweekly salary at a rate specified in Range No. 57.46 of the salary schedule incorporated by Section 74343.1. In no event shall the salary of the clerk-administrative officer be less than 25 percent higher than that specified for the position of assistant clerk-administrative officer. Appointment to such position shall be at step C of the salary schedule unless the appointee is entitled to a higher step under the provisions of subdivision (c) of Section 74350.

SEC. 7. Section 73953 of the Government Code is amended to read:

73953. The clerk-administrative officer may appoint:

(a) One assistant clerk-administrative officer who shall receive a biweekly salary at the rate specified in Range No. 52.46. In no event shall the compensation of the assistant clerk-administrative officer be more than 20 percent below that specified for the assistant clerk of the San Diego Judicial District.

(b) Five supervising deputy clerks who shall receive the biweekly salary specified in Range No. 44.46.

(c) Ten deputy clerks IV, each of whom shall receive the biweekly salary specified in Range No. 42.96.

(d) Twenty-eight deputy clerks III, each of whom shall receive the biweekly salary specified in Range No. 37.50.

(e) Twenty-six deputy clerks II or I, as the case may be. Each deputy clerk II shall receive the biweekly salary specified in Range No. 35.00. Each deputy clerk I shall receive the biweekly salary specified in Range No. 32.00.

(f) Two data entry operators, each of whom shall receive the biweekly salary specified in Range No. 34.10.

(g) One deputy clerk who shall be a stenographer and who shall receive a biweekly salary at a rate specified in Range No. 36.70.

(h) One court interpreter who shall receive the biweekly salary specified in Range 36.50.

(i) Any person occupying a position specified in subdivision (b), (c), (d), (e), or (f) and performing as a certified interpreter shall be

paid additional compensation at the biweekly rate specified for bilingual ability in the salary ordinance of the County of San Diego, except that no more than seven such certified interpreters shall be so compensated at any one time.

The value in dollars of each salary provided for herein shall be at the rates indicated opposite the respective range number in the salary schedule incorporated by Section 74343.1, and the provisions of subdivisions (a), (b), (c), (d), and (e) of that section are applicable to the attachés appointed pursuant to this section. In no event shall the salary of the clerk-administrative officer, assistant clerk-administrative officer or any deputy clerk who occupied his position on the day prior to the effective date of this section be less than his salary on such day.

SEC. 8. Section 73953.1 of the Government Code is amended to read:

73953.1. In the event that there shall be an increase in the number of judges, the clerk-administrative officer may appoint one deputy clerk IV, one deputy clerk III, one deputy clerk II and one deputy clerk I for each respective additional judge. Such additional deputy clerks shall receive a biweekly salary at a rate specified in the appropriate schedule incorporated by Section 74343.1.

SEC. 9. Section 74342 of the Government Code is amended to read:

74342. There shall be one clerk who shall be appointed by a majority of the judges of the court and who, notwithstanding the provisions of Section 74343.1, shall serve at the pleasure of the judges. He shall receive a biweekly salary at a rate specified in Range No. 62.46. In no event shall the compensation of the clerk be less than 30 percent higher than that specified for the position of assistant clerk.

SEC. 10. Section 74343 of the Government Code is amended to read:

74343. The clerk may appoint:

(a) One assistant clerk, with the consent of a majority of the judges of the court, who shall be empowered to act in the place and stead of the clerk in the event that the clerk is absent or unavailable for any reason and who shall receive a biweekly salary at a rate specified in Range No. 56.46. In no event shall the compensation of the assistant clerk be less than 37½ percent higher than that specified for the position of chief clerk.

(b) Five deputy clerks who shall be chief clerks in the administrative, civil, criminal, traffic, and accounting divisions of the court, and who shall receive a biweekly salary at the rate specified in Range No. 48.96.

(c) Five deputy clerks who shall be assistant chief clerks of division and who shall receive a biweekly salary at a rate specified in Range No. 45.96.

(d) Five supervising deputy clerks who shall receive a biweekly salary at a rate specified in Range No. 44.46.

(e) Thirty-nine deputy clerks IV, each of whom shall receive a biweekly salary at a rate specified in Range No. 42.96.

(f) One deputy clerk data entry supervisor who shall receive a biweekly salary at a rate specified in Range No. 36.50.

(g) Thirty-seven deputy clerks III, each of whom shall receive a biweekly salary at a rate specified in Range No. 37.50.

(h) Forty-three deputy clerks II, each of whom shall receive a biweekly salary at a rate specified in Range No. 35.00.

(i) Seventy deputy clerks I, each of whom shall receive a biweekly salary at a rate specified in Range No. 33.00.

(j) Eleven deputy clerks who shall be data entry operators and who shall receive a biweekly salary at a rate specified in Range 34.10.

(k) The seven deputy clerks assigned by the clerk of the court as clerks in the presiding department, criminal arraignment departments (two deputies), traffic arraignment departments (two deputies), special proceedings department, and setting and motion department, while serving in those capacities, shall receive a biweekly salary at a rate 5 percent higher than that which such deputy clerks were receiving prior to such assignment. The value, in dollars, of each biweekly salary herein shall be at the rates indicated opposite the respective range number in the salary schedule incorporated by Section 74343.1.

SEC. 11. Section 74343.1 of the Government Code is amended to read:

74343.1. The salary schedule adopted by the Board of Supervisors of San Diego County for compensation of classified personnel is adopted and by reference incorporated herein, and whenever reference to a numbered salary range is made in any section of this article, such schedule of biweekly salaries shall apply.

(a) Unless otherwise specifically provided, each person appointed or promoted to a position, the compensation of which is fixed by reference to the salary schedule set forth in this section, shall, for the first six months of service, receive biweekly the rate of compensation specified in step A of the salary schedule for the position to which he is appointed. Upon the first day of the pay period following six months continuous service in step A, the initial rate of compensation of such person shall be increased to step B of the salary schedule for the position occupied. Upon the first day of the pay period following six months continuous service in step B, the initial rate of compensation of such person shall be increased to step C of the salary schedule for the position occupied. On and after the first day of the pay period following six months of continuous service at step C, such compensation shall be increased to step D of the salary schedule. On and after the first day of the pay period following 12 months of continuous service at step D, such compensation shall be increased to step E of the salary schedule.

The provisions of this subdivision shall not apply to any person employed on and after January 1, 1975, and any such person shall be entitled to receive the same step increases as set forth in the salary ordinance of the County of San Diego in effect July 1, 1974, for those persons employed by the County of San Diego on or after July 1, 1974.

(b) When any person in the service of the County of San Diego or in the service of another municipal court in San Diego County is appointed to a position in the service of the court compensated at a higher salary range than the salary range for the position relinquished or when any person in the service of the court is appointed or promoted to another position in such service compensated at a higher numbered schedule, he shall receive step A of such schedule if step A is at least one step higher than the salary received in the position relinquished; but if not, he shall receive initially that step schedule pertaining to such position which will provide a one-step increase in his compensation.

(c) Officers and attachés may be voluntarily transferred from a position in the service of a court in one judicial district to a position in the service of a court in another judicial district within the County of San Diego, from a position in the service of the County of San Diego to a position in the service of a court, from a position in the service of a court to a position in the service of the County of San Diego, or between the offices of clerk and marshal in the same manner that classified employees of the County of San Diego may be transferred between departments of the county. In determining the step of the salary range at which such transferred employee shall be paid, the employee may be given credit for continuous prior service in the service of the court or the County of San Diego from which he was transferred.

(d) When any person in the service of the court is demoted to another position he shall receive compensation at the highest step of the salary schedule applicable to the position to which he is demoted which provides a salary not higher than that previously received by such person, except that if such demotion is due to disciplinary action, the appointing power may specify any step rate of such schedule which provides compensation not higher than that last previously received by such person.

(e) The hereinafter enumerated classes of positions in the court are deemed to be comparable in job level to certain classifications in the classified civil service of San Diego County and whenever the salaries of such classifications in the service of San Diego County are adjusted by the board of supervisors, the salaries of the comparable classifications in the clerk's office shall be adjusted a commensurate percentage in the salary schedule. Such adjustment shall not be more than 20 percent higher or 20 percent lower than the ranges specified in this article. Such adjustments shall be effective on the same date as the effective date of the action by the board of supervisors as it applies to the county classifications. In the event that the salary of any of the San Diego County classifications listed in this section are adjusted by the board of supervisors on any date prior to the effective date of any amendments to this article enacted by the Legislature at the 1977–78 Regular Session of the Legislature, commensurate adjustments shall be applied to the salaries of the comparable classifications in the clerk's office, such adjustments to take effect on

the effective date of any amendments to this article enacted at the 1977–78 Regular Session of the Legislature. Any salary adjustments made as a result of this section shall be effective only until January 1, 1980.

The comparable classifications are as follows:

Municipal court classification	County classification
Deputy clerk, chief clerk	Superior court clerk
Deputy clerk, assistant chief clerk	Superior court clerk
Deputy clerk I	Intermediate clerk
Deputy clerk II	Intermediate clerk
Deputy clerk III	Senior clerk
Deputy clerk IV	Superior court clerk
Supervising deputy clerk	Superior court clerk
Data entry supervisor	Data entry supervisor
Data entry operator	Data entry operator
Court interpreter	Senior clerk
Deputy clerk stenographer	Senior stenographer

SEC. 12. Section 74343.2 of the Government Code is amended to read:

74343.2. There shall be four court interpreters who shall be deputy clerks to be appointed by a majority of the judges of the court and who shall receive a biweekly salary at a rate specified in Range No. 36.50.

SEC. 13. Section 74343.3 of the Government Code is repealed.

SEC. 14. Section 74343.5 of the Government Code is repealed.

SEC. 15. Section 74343.6 of the Government Code is repealed.

SEC. 16. Section 74343.7 of the Government Code is repealed.

SEC. 17. Section 74350 of the Government Code is amended to read:

74350. (a) All persons holding positions on the effective date of any amendments to this article shall continue in their respective positions without further examination or qualification and at the added compensation provided in this article, including increments for continuous prior service in such positions in the court. Any person whose title is changed as a result of any amendments to this article shall receive credit for continued service to which he would be entitled under his previous position and shall receive compensation at the step covering such length of service. Thereafter, any increments earned by additional service in grade shall take effect upon the first day of the pay period following completion of such required service.

(b) In addition to the compensation provided in this article, the classifications of attachés of the municipal court shall receive, and they shall be entitled to the same vacations, holidays, sick leave, leaves of absence, bilingual pay, merit pay increases, retirement benefits and similar privileges and benefits as are now or may

hereafter be provided for the employees of the County of San Diego in the comparable classifications specified in subdivision (e) of Section 74341.1, including the right to participate in a retirement plan, in any group health, accident or life insurance plan adopted by the Board of Supervisors of San Diego County, and in the tuition refund and suggestion awards programs adopted by the board. For purposes of this subdivision only, the clerk and assistant clerk shall receive the same privileges and benefits as are received by the classifications of probation officer and chief assistant probation officer, respectively, of the classified service of the County of San Diego. The term "same privileges and benefits" for the purposes of this section shall include, but not be limited to, any benefits which are available to comparable classifications in the classified civil service of San Diego County pursuant to the provisions of any ordinance of the County of San Diego which credit to a member of the San Diego County Employees Retirement System extra days or fractions thereof, of service for retirement purposes for each day of uncompensated sick leave. Changes in privileges and benefits shall be effective on the same date as those for employees of the County of San Diego in comparable classifications. The majority of all the municipal court judges may adopt rules for the conduct of and personnel privileges to be afforded the attachés of the court.

(c) All attachés may be appointed, promoted, removed, suspended or discharged for cause by the appointing authority subject in such appointment, promotion, removal, suspension or discharge to civil service provisions applicable to the classified personnel of San Diego County. Whenever a person or attaché is appointed or promoted to a position, such person or attaché must serve a probationary period of at least six months.

(d) Notwithstanding the provisions of Section 71183, a person appointed by the clerk from an eligible list certified by the Civil Service Commission of the County of San Diego to fill a temporary position established pursuant to Section 72150 and employed in such temporary position immediately prior to the effective date of any amendments to this article, may be appointed by such clerk to a like permanent position in such clerk's office without further examination, qualification or certification on a civil service eligible list; provided, that the number of such positions in the clerk's office has been increased so as to make such temporary position a permanent position.

SEC. 18. Section 74357 of the Government Code is amended to read:

74357. By order entered upon the minutes of the court, a majority of the judges of the Municipal Court of the San Diego Judicial District may appoint as many competent judicial secretaries as the business of the court requires, not to exceed five, who shall be attachés of the court and who are to hold office during the pleasure of the judges of the court. One secretary shall be appointed by the presiding judge as the chief judicial secretary, who, while serving in that capacity,

shall receive a biweekly salary at step E of Range No. 42.28.

Each judicial secretary other than the chief judicial secretary shall receive a biweekly salary at the rate specified in Range No. 39.00 commencing at step D at initial employment and advancing to step E at the end of one year of continuous service. The value in dollars, of each biweekly salary herein shall be at the rates indicated opposite the respective range number in the salary schedule incorporated by Section 74343.1.

The position of chief judicial secretary shall be deemed to be comparable in job level to the position of senior assistant secretary authorized by Section 69892. The position of judicial secretary shall be deemed to be comparable in job level to the position of assistant secretary authorized by Section 69892. Whenever the salaries of senior assistant secretary and assistant secretary are adjusted by the Board of Supervisors of San Diego County, the salaries of chief judicial secretary and judicial secretaries shall be adjusted a commensurate percentage in the salary schedule. Such adjustment shall not be more than 20 percent higher or 20 percent lower than the range specified in this section and shall be effective on the same date as the effective date of the action by the board of supervisors on the positions of senior assistant secretary and assistant secretaries. Any salary adjustment made as a result of this section shall be effective only until January 1, 1980.

Notwithstanding the provisions of Section 74350, the chief judicial secretary and judicial secretaries shall receive and be entitled to the same vacations, sick leave, leaves of absence and similar privileges and benefits as are now or may hereafter be provided for by rule for the senior assistant and assistant secretaries of the Superior Court of the County of San Diego by the judges thereof.

SEC. 19. Section 74361 of the Government Code is amended to read:

74361. There shall be one marshal for all municipal courts established in judicial districts in San Diego County who shall be appointed pursuant to this article and who shall receive the biweekly compensation specified in Range No. 62.40 of the salary schedule incorporated by Section 74343.1. In no event shall the compensation of the marshal be less than 30 percent higher than that specified for the position of assistant marshal. Unless entitled to a higher range under the provisions of subdivision (c) of Section 74350, appointment to the position of marshal shall be made at the C step.

SEC. 20. Section 74364 of the Government Code is amended to read:

74364. The marshal may make the following appointments each of whom shall receive the biweekly compensation as specified in the range number provided in each subdivision from the salary schedule incorporated by Section 74343.1:

(a) One assistant marshal, Range No. 56.40. In no event shall the compensation of an assistant marshal be less than 20 percent higher than that specified for the position of captain.

(b) Three captains, Range No. 52.40.

(c) Four lieutenants, Range No. 49.70. A lieutenant shall be compensated at a biweekly rate 2½ percent higher than prescribed in this subdivision when in possession of an advanced peace officer standards and training certificate.

(d) Fifteen sergeants, Range No. 46.70. A sergeant shall be compensated at a biweekly rate 2½ percent higher than prescribed in this subdivision when in possession of an advanced peace officer standards and training certificate. Upon the occurrence of the first vacancy, one of the positions of sergeant shall cease to exist; provided, however, that there shall be a concurring increase of one position in the grade of administrative assistant III or II, as the case may be.

(e) One hundred twenty-seven deputy marshals, Range No. 42.70, except that a deputy marshal shall be compensated at a biweekly rate 5 percent higher than prescribed in this subdivision when in possession of a basic peace officers standards and training certificate; 10 percent higher than prescribed in this subdivision when in possession of an intermediate peace officer standards and training certificate; and 12½ percent higher than prescribed in this subdivision when in possession of an advanced peace officer standards and training certificate.

(f) Five senior stenographers, Range No. 36.70. On the effective date of the amendments to this section at the 1977–78 Regular Session of the Legislature, the position of deputy marshal stenographer shall cease to exist; provided, however, that each incumbent of such position shall succeed on that date to a position as senior stenographer without loss of employee rights or seniority. The appointing authority may reclassify positions of senior stenographer to positions of legal procedures clerk II under subdivision (n) of this section; provided, that the total number of positions of legal procedures clerk II shall not exceed the number of positions authorized by subdivision (n). On the effective date of such reclassifications, the persons holding reclassified positions of senior stenographer shall succeed to the position of legal procedures clerk II without loss of employee rights or seniority. Such persons shall be compensated at the same step within the legal procedures clerk II range which they had attained within the senior stenographer range.

(g) One administrative assistant III or II, Range No. 50.50 or Range No. 48.42, as the case may be; provided, however, that this position shall come into existence upon the occurrence of a vacancy in the position of sergeant, and there shall be a concurring decrease of one position in the grade of sergeant.

(h) Twenty-one intermediate typists, Range No. 33.00. The appointing authority may reclassify positions of intermediate typists to positions of legal procedures clerk I under subdivision (o) of this section, provided that the total number of positions of legal procedures clerk I shall not exceed the number of positions authorized by subdivision (o). On the effective date of such

reclassifications, the persons holding reclassified positions as intermediate typists shall succeed to the position of legal procedures clerk I without loss of employee rights or seniority. Such persons shall be compensated at the same step within the legal procedures clerk I range which they had attained within the intermediate typist range.

(i) Five senior typists, Range No. 36.50. The appointing authority may reclassify positions of senior typist to positions of legal procedures clerk II or legal procedures clerk I under subdivisions (n) and (o) of this section, respectively, provided that the total number of positions of legal procedures clerk II shall not exceed the number of positions authorized by subdivision (n) and the total number of positions of legal procedures clerk I shall not exceed the number of positions authorized by subdivision (o). On the effective date of such reclassification, the persons holding reclassified positions as senior typist shall succeed to the position of legal procedures clerk II or legal procedures clerk I without the loss of employee rights or seniority. Such persons shall be compensated at the same step within the legal procedures clerk II range or within the legal procedures clerk I range which they had attained within the senior typist range.

(j) Four deputy marshal-cadets, Range No. 33.40; provided, however, that in no event shall the deputy marshal-cadet's salary be less than 65 percent of the salary of a deputy marshal and in the event of an upward adjustment in the salary of deputy marshals, the salary of deputy marshal-cadets shall be adjusted accordingly. At the time an incumbent in the position of deputy marshal-cadet attains the age of 21 he may be appointed by the marshal to a position of deputy marshal, providing such a position is open, without further qualification or examination.

(k) Two supervising clerks, Range No. 40.00. The appointing authority may reclassify one of the positions of supervising clerk to a position of principal clerk under subdivision (r) of this section; provided, that the total number of positions of principal clerk shall not exceed the number of positions authorized by subdivision (r). On the effective date of such reclassification, the person holding the reclassified position of supervising clerk shall succeed to the position of principal clerk without loss of employee rights or seniority. Such person shall be compensated at the same step within the principal clerk range which such person had attained within the supervising clerk range.

(*l*) Three junior typists, Range No. 28.70.

(m) One secretary II, Range No. 37.36.

(n) Four legal procedures clerks II, Range No. 39.50. At the time the appointment to fill each of such positions is made, the marshal shall designate a position authorized in either subdivision (f) or (i) to be abolished, and such position shall thereafter cease to exist.

(o) Ten legal procedures clerks I, Range No. 37.50. At the time of the appointment to fill each of such positions is made, the marshal shall designate a position authorized either in subdivision (h) or (i)

to be abolished, and such position shall thereafter cease to exist.

(p) Every person specified in subdivision (f), (h), (i), (k), (*l*), (m), (n), or (o) who works a night shift shall be paid an hourly bonus equivalent to that bonus paid to night shift workers in the classified service of San Diego County who are in the comparable positions specified in Section 74374. "Night shift" means an assigned work schedule of which not less than one-half of the total number of hours, plus one-half hour, are worked after 5 p.m. and before 8 a.m.

(q) Any person specified in subdivisions (f), (h), and (i), who may be assigned by the marshal to one of the positions designated as executive secretary, administrative-personnel secretary, or bookkeeping machine operator, shall receive, while serving in that capacity, biweekly compensation at a rate 10 percent higher than that specified in such person's designated subdivision.

(r) One principal clerk, Range No. 42.58. At the time the appointment to such position is made, the marshal shall designate a position authorized in subdivision (k) to be abolished, and such position shall thereafter cease to exist.

SEC. 21. Section 74370 of the Government Code is amended to read:

74370. In addition to the compensation provided in this article the marshals and other attachés of the municipal court shall receive, and they shall be entitled to the same vacation, sick leaves, leaves of absence, bilingual pay, holidays, merit pay increases, retirement benefit, deferred compensation benefits, and all privileges and benefits as are now or may hereafter be provided for the employees of the County of San Diego, including the right to participate in any group accident, health, life insurance, or retirement plan adopted by the board of supervisors of the county. It is further provided that the privileges and benefits hereinbefore provided shall be retroactively applied.

For purposes of providing the privileges and benefits specified in this section, each classification in the marshal's office shall receive benefits equal to those of the comparable classification in the classified civil service of San Diego County as specified in Section 74374. The term "benefits equal" for purposes of this section shall include, but not be limited to, any benefits which are available to comparable classifications in the classified civil service of San Diego County pursuant to the provisions of any ordinance of the County of San Diego which credit to a member of the San Diego County Employees Retirement System extra days, or fractions thereof, of service for retirement purposes for each day of uncompensated sick leave. The position of marshal shall receive no less employee benefits than those provided for the position of assistant marshal. For the purpose of this subdivision only, the marshal and assistant marshals shall receive no less privileges and benefits than are received by the classifications of probation officer and chief assistant probation officer, respectively, of the classified service of the County of San Diego.

SEC. 22. Section 74374 of the Government Code is amended to read:

74374. The hereinafter enumerated classes of positions in the marshal's office of the municipal courts in San Diego County are deemed to be equivalent in job, and salary level, and benefit level to certain classifications in the classified civil service of San Diego County and whenever the salary of a classification in the service of San Diego County is adjusted by the board of supervisors, the salary of the equivalent classification in the marshal's office shall be adjusted to commensurate number of ranges in the salary schedule. Each of such adjustments shall not be more than 20 percent. Such adjustments shall be effective on the same date as the effective date of the action by the board of supervisors as it applies to the county classifications. In the event a system of merit pay increases is established by the County of San Diego for employees in a particular classification, like merit increases, if justified, may be authorized by the appointing authority for marshal's office employees who are in equivalent classifications. Any salary adjustments made as a result of this section shall be effective only until January 1, 1980.

The equivalent classifications are as follows:

Municipal court marshal classification	County classification
Assistant marshal	Deputy sheriff-inspector
Captain	Deputy sheriff-captain
Lieutenant	Deputy sheriff-lieutenant
Sergeant	Deputy sheriff-sergeant
Deputy marshal	Deputy sheriff
Senior stenographer	Senior stenographer
Senior typist	Senior clerk typist
Intermediate typist	Intermediate clerk typist
Cadet	Deputy sheriff-cadet
Supervising clerk	Supervising clerk
Junior typist	Junior typist
Secretary II	Secretary II
Administrative assistant III	Administrative assistant III
Administrative assistant II	Administrative assistant II
Principal clerk	Principal clerk
Legal procedures clerk II	Legal procedures clerk II
Legal procedures clerk I	Legal procedures clerk I

Notwithstanding the salary ranges specified in Section 74364, the persons occupying positions in the above specified municipal court marshal classifications shall not be paid less salary than persons occupying positions in equivalent county classifications.

SEC. 23. Section 74741 of the Government Code is amended to

read:

74741. There shall be five judges.

SEC. 24. Section 74742 of the Government Code is amended to read:

74742. There shall be one clerk-administrative officer who shall be appointed by the judges of the court. The clerk-administrative officer shall receive a biweekly salary at a rate specified in range 57.46 of the salary schedule incorporated by Section 74343.1. In no event shall the salary of the clerk-administrative officer be less than 25 percent higher than that specified for the position of assistant clerk-administrative officer.

Appointment to such position shall be at step C of the range unless the appointee is entitled to a higher step under the provisions of subdivision (c) of Section 74350.

SEC. 25. Section 74743 of the Government Code is amended to read:

74743. The clerk-administrative officer may appoint with the approval of the judges:

(a) One assistant clerk-administrative officer who shall receive the biweekly salary specified in range 52.46. In no event shall the compensation of the assistant clerk-administrative officer be more than 20 percent below that specified for the assistant clerk, San Diego Judicial District.

(b) Five supervising deputy clerks who shall receive the biweekly salary specified in range 44.46.

(c) Eight deputy clerks IV, each of whom shall receive the biweekly salary specified in range 42.96.

(d) Twelve deputy clerks III, each of whom shall receive the biweekly salary specified in range 37.50.

(e) Twenty-three deputy clerks II or I, as the case may be. Each of the deputy clerks II shall receive the biweekly salary specified in range 35.00 but in no event shall the compensation for the deputy clerks II be less than 10 percent above that specified for deputy clerk I. Each of the deputy clerks I shall receive the biweekly salary specified in range 33.00.

(f) Three data entry operators, each of whom shall receive the biweekly salary specified in range 34.10.

(g) One deputy clerk stenographer who shall receive the biweekly salary specified in range 36.70.

(h) One court interpreter who shall receive the biweekly salary specified in range 36.50.

The value, in dollars, of each monthly salary herein shall be at the rates indicated opposite the respective schedule number in the salary schedule provided in Section 74343.1. The provisions of subdivisions (a), (b), (c), (d), and (e) of that section apply to the attachés appointed pursuant to this section. In no event shall the salary of the clerk or any deputy clerk who occupied his position on the day prior to the effective date of this section be less than his salary on such day.

SEC. 26. Section 74746 of the Government Code is amended to read:

74746. (a) All persons holding positions on the effective date of any amendments to this article shall continue in their respective positions without further examination or qualification and at the added compensation provided in this article, including increments for continuous prior service in such positions in the court. Any person whose title is changed as a result of any amendments to this article shall receive credit for continued service to which he would be entitled under his previous position and shall receive compensation at the step covering such length of service. Thereafter, any increments earned by additional service in grade shall take effect upon the first day of the pay period following completion of such required service.

(b) In addition to the compensation provided in this article, the classifications of attachés of the municipal court shall receive, and they shall be entitled to the same vacations, sick leave, leaves of absence, bilingual pay, merit pay increases, retirement benefits and similar privileges and benefits as are now or may hereafter be provided for the employees of the County of San Diego in the comparable classifications specified in subdivision (e) of Section 74343.1, including the right to participate in a retirement plan, in any group health, accident or life insurance plan adopted by the Board of Supervisors of San Diego County, and in the tuition refund and suggestion awards programs adopted by the board.

For purposes of this subdivision only, the clerk and assistant clerk shall receive the same privileges and benefits as are received by the classifications of probation officer and chief assistant probation officer, respectively of the classified service of the County of San Diego.

The term "same privileges and benefits" for purposes of this section shall include, but not be limited to, any benefits which are available to comparable classifications in the classified civil service of San Diego County pursuant to the provisions of any ordinance of the County of San Diego which credit to a member of the San Diego County Employees Retirement System extra days or fractions thereof, of service for retirement purposes for each day of uncompensated sick leave. Changes in privileges and benefits shall be effective on the same date as those for employees of the County of San Diego in comparable classifications. The majority of all the municipal court judges may adopt rules for the conduct of the personnel privileges to be afforded the attachés of the court.

(c) All attachés may be appointed, promoted, removed, suspended, or discharged for cause by the appointing authority subject in such appointment, promotion, removal, suspension, or discharge to civil service provisions applicable to the classified personnel of San Diego County. Whenever a person or attaché is appointed or promoted to a position, such person or attaché shall serve a probationary period of at least six months.

(d) Notwithstanding the provisions of Section 71183, a person appointed by the clerk from an eligible list certified by the Civil Service Commission of the County of San Diego to fill a temporary position established pursuant to Section 72150 and employed in such temporary position immediately prior to the effective date of any amendments to this article, may be appointed by such clerk to a like permanent position in such clerk's office without further examination, qualification or certification on a civil service eligible list, provided, that the number of such positions in the clerk's office has been increased so as to make such temporary position a permanent position.

SEC. 27. Section 74749 is added to the Government Code, to read:

74749. By order entered in the minutes of the court, a majority of judges of the court may appoint one judicial secretary to be known as judicial secretary of the court, who shall be an attaché of such court. The judicial secretary shall receive a monthly salary at a rate specified in Range No. 39.00 of the salary schedule provided in Section 74343.1, commencing at step D at initial employment and advancing to step E at the end of one year of continuous service.

The position of judicial secretary shall be deemed comparable to the position of assistant secretary authorized by Section 69892. Whenever the salary of assistant secretary is adjusted by the board of supervisors, a commensurate adjustment shall be made to the salary of judicial secretary and shall be effective on the same date as the effective date of the assistant secretary salary adjustment.

Notwithstanding the provisions of Section 74746, the judicial secretary shall receive and be entitled to the same vacations, sick leave, leaves of absence, and similar privileges and benefits as are now or may hereafter be provided for by rule for the assistant secretaries of the Superior Court of the County of San Diego by the judges thereof.

SEC. 28. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because this act is in accordance with the request of a local government entity or entities which desires legislative authority to act to carry out the program specified in this act.

CHAPTER 458

An act to amend Section 998 of the Code of Civil Procedure, relating to costs of suit.

[Approved by Governor August 31, 1977. Filed with Secretary of State August 31, 1977.]

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

SECTION 1. Section 998 of the Code of Civil Procedure is amended to read:

998. (a) The costs allowed under Sections 1031 and 1032 shall be withheld or augmented as provided in this section.

(b) Not less than 10 days prior to commencement of the trial as defined in subdivision 1 of Section 581, any party may serve an offer in writing upon any other party to the action to allow judgment to be taken in accordance with the terms and conditions stated at that time. If such offer is accepted, the offer with proof of acceptance shall be filed and the clerk or the judge shall enter judgment accordingly. If such offer is not accepted prior to trial or within 30 days after it is made, whichever occurs first, it shall be deemed withdrawn, and cannot be given in evidence upon the trial.

(c) If an offer made by a defendant is not accepted and the plaintiff fails to obtain a more favorable judgment, the plaintiff shall not recover his costs and shall pay the defendant's costs from the time of the offer. In addition, in any action or proceeding other than an eminent domain action, the court, in its discretion, may require the plaintiff to pay the defendant's costs from the date of filing of the complaint and a reasonable sum to cover costs of the services of expert witnesses, who are not regular employees of any party, actually incurred and reasonably necessary in either, or both, the preparation or trial of the case by the defendant.

(d) If an offer made by a plaintiff is not accepted and the defendant fails to obtain a more favorable judgment, the court in its discretion may require the defendant to pay a reasonable sum to cover costs of the services of expert witnesses, who are not regular employees of any party, actually incurred and reasonably necessary in either, or both, the preparation or trial of the case by the plaintiff, in addition to plaintiff's costs.

(e) Police officers shall be deemed to be expert witnesses for the purposes of this section; plaintiff includes a cross-complainant and defendant includes a cross-defendant. Any judgment entered pursuant to this section shall be deemed to be a compromise settlement.

(f) The provisions of this chapter shall not apply to an offer which is made by a plaintiff in an eminent domain action.

(g) The costs for services of expert witnesses for trial under subdivisions (c) and (d) shall not exceed those specified in Section 68092.5 of the Government Code.

CHAPTER 459

An act to amend Sections 11732 and 11736 of, and to add Section 1851.1 to, the Insurance Code, and to amend Section 1 of Chapter 444 of the Statutes of 1976, relating to longshoremen's and harbor workers' insurance, and declaring the urgency thereof, to take effect

immediately.

[Approved by Governor August 31, 1977. Filed with Secretary of State August 31, 1977]

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

SECTION 1. Section 1 of Chapter 444 of the Statutes of 1976 is amended to read:

Section 1. In enacting the provisions of this act, it is the intent of the Legislature, in support of California industry and commerce, to (1) act to provide immediate relief to the crisis facing California employers and employees due to a serious lack of availability of insurance protection against the liability imposed by the United States Longshoremen's and Harbor Workers' Compensation Act resulting from the substantial changes to this federal law by the 1972 amendments which swept more employers under the act and radically increased the benefits and assure that such insurance protection is available from the broadest possible market at a premium that is reasonable and equitable to the California employer while concurrently providing the insurance carrier an adequate premium from which to pay claims.

This act will authorize the State Compensation Insurance Fund to respond more effectively to the needs of both California employers and employees by more fully providing the required insurance protection.

SEC. 1.5. Section 1851.1 is added to the Insurance Code, to read:

1851.1. Notwithstanding subdivision (f) of Section 1851 or any other provision of law, any classification of risks and premium rates or system of rating for insurance covering employers against their liability for compensation or damages under the United States Longshoremen's and Harbor Workers' Compensation Act (33 U.S.C. 901, et seq.) shall be subject to the provisions of this chapter.

SEC. 2. Section 11732 of the Insurance Code is amended to read:

11732. The commissioner shall approve or issue, as adequate for all admitted workers' compensation insurers, a classification of risks and premium rates relating to California workers' compensation insurance. He may also approve or issue a system of merit rating. Such classification and system shall be uniform as to all insurers affected.

SEC. 3. Section 11736 of the Insurance Code is amended to read:

11736. An insurer shall not issue, renew or continue in force any workers' compensation insurance under a law of this state at premium rates which are less than the rates approved or issued by the commissioner. The effective date of such rates shall be the date fixed by the commissioner.

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

The facts constituting such necessity are:

There is an absence of credible experience data available upon which to predicate any reasonable rates for longshoremen's and harbor workers' insurance. This situation arises since both the benefit levels payable to injured employees and the determination of which employers are subject to the United States Longshoremen's and Harbor Workers' Act are under federal, not state, jurisdiction and control. Any minimum rates that might be promulgated by the Insurance Commissioner may aggravate, rather than alleviate, the insurance problem for employers. The legal minimum rates promulgated may well be higher than the rates currently being charged by insurers in this state, thereby forcing such employers to pay higher premiums than they are currently paying.

CHAPTER 460

An act to amend Sections 6310 and 6355 of the Labor Code, relating to occupational safety.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 6310 of the Labor Code is amended to read:

6310. (a) No person shall discharge or in any manner discriminate against any employee because such employee has either (1) made any oral or written complaint, to the division, other governmental agencies having statutory responsibility for or assisting the division with reference to employee safety or health, his employer, or his representative, or (2) instituted or caused to be instituted any proceeding under or relating to his rights or has testified or is about to testify in any such proceeding or because of the exercise by such employee on behalf of himself or others of any rights afforded him.

(b) Any employee who is discharged, threatened with discharge, demoted, suspended, or in any other manner discriminated against in the terms and conditions of such employment by his employer because such employee has made a bona fide oral or written complaint to the division, other governmental agencies having statutory responsibility for or assisting the division with reference to employee safety or health, his employer, or his representative, of unsafe working conditions, or work practices, in his employment or place of employment shall be entitled to reinstatement and reimbursement for lost wages and work benefits caused by such acts of the employer. Any employer who willfully refuses to rehire, promote, or otherwise restore an employee or former employee who has been determined to be eligible for such rehiring or promotion by

a grievance procedure, arbitration, or hearing authorized by law, is guilty of a misdemeanor.

SEC. 2. Section 6355 of the Labor Code is amended to read:

6355. If the employer requests consulting services pursuant to Section 6354, the division in providing such services at the employer's employment or place of employment shall neither institute any prosecution under Section 6423 nor issue any citations for a violation of any standard or order adopted pursuant to Chapter 6 (commencing with Section 140) of Division 1. In any instance in which the division representative providing the consulting service finds that the conditions of employment, place of employment, any work procedure, or the operation of any machine, device, apparatus, or equipment constitutes an imminent hazard or danger, within the meaning of Section 6325, to the lives, safety, or health of employees, entry therein, or the use thereof, as the case may be, shall be prohibited by the division pursuant to Section 6325. The employer shall not, however, be liable to prosecution under Section 6423, nor shall the division issue any citations or assess any civil penalties, except in any case where the employer fails to comply with the division's prohibition of entry or use, or in any case where the provisions of Section 6326 apply.

SEC. 3. No appropriation is made by this act, nor is any obligation created thereby under Section 2231 of the Revenue and Taxation Code, for the reimbursement of any local agency for any costs that may be incurred by it in carrying on any program or performing any service required to be carried on or performed by it by this act.

CHAPTER 461

An act to amend Sections 17063, 17069, 17502.9, 25402, 25561, and 25562 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 17063 of the Revenue and Taxation Code is amended to read:

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

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

(b) With respect to each "Section 18212 property" (as defined in Section 18214), the amount by which the deduction allowable for the taxable year for exhaustion, wear or tear, obsolescence, or

amortization exceeds the depreciation deduction which would have been allowable for the taxable year, had the taxpayer depreciated the property under the straight line method for each taxable year of its useful life (determined without regard to Section 17211.7) for which the taxpayer has held the property.

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

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

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

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

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

(h) Subdivision (f) of this section shall apply only to taxable years beginning after December 31, 1970, and ending on or before November 30, 1972. For taxable years beginning after December 31, 1971, the amount of the tax preference income with respect to capital gains shall be an amount (but not below zero) equal to the difference between (1) the taxpayer's total net capital gains and losses (determined without regard to any capital loss carryover) for the taxable year, and (2) the taxpayer's net capital gains and losses recognized by virtue of Section 18162.5 for the same taxable year.

(i) The amount of net farm loss in excess of fifteen thousand dollars ($15,000) which is deducted from nonfarm income. In the case of a husband or wife who files a separate return, the amount specified in the preceding sentence shall be seven thousand five hundred dollars ($7,500) in lieu of fifteen thousand dollars ($15,000).

SEC. 2. Section 17069 of the Revenue and Taxation Code is amended to read:

17069. (a) A special tax credit at the percentage provided in subdivision (b) or (c) shall be allowed against the amount of "net tax" (as defined in Section 17069.5), with respect to taxable years

beginning after December 31, 1972, and before January 1, 1974. If the taxpayer has more than one taxable year beginning after December 31, 1972, and before January 1, 1974, such taxpayer shall be allowed the credit provided by this section only with respect to the taxable year which covers the most number of months.

(b) In the case of a single person, or a married person filing a separate return, the special tax credit percentage shall be as follows:

If the adjusted gross income is:	The percentage of credit is:
$4,000 or less	100%
Over $4,000 but not over $7,500	35
Over $7,500 but not over $10,000	30
Over $10,000 but not over $12,500	25
Over $12,500	20

(c) In the case of a head of household, a surviving spouse (as defined in Section 17046), or a married couple filing a joint return, the special tax credit percentage shall be as follows:

If the adjusted gross income is:	The percentage of credit is:
$8,000 or less	100%
Over $8,000 but not over $15,000	35
Over $15,000 but not over $20,000	30
Over $20,000 but not over $25,000	25
Over $25,000	20

(d) For taxable years beginning on or after January 1, 1974, and ending on or before November 30, 1976, there shall be allowed against the amount of "net tax" (as defined in Section 17069.5) a special tax credit of 100 percent (1) for a single person or a married person filing a separate return with an adjusted gross income of four thousand dollars ($4,000) or less, or (2) for a head of household, a surviving spouse (as defined in Section 17046), or a married couple filing a joint return with an adjusted gross income of eight thousand dollars ($8,000) or less.

(e) For taxable years beginning on or after January 1, 1976, a nonrefundable special tax credit in the amount provided in paragraph (1) or (2) shall be allowed as follows:

(1) In the case of a single person, or a married person filing a separate return, the special tax credit shall be forty dollars ($40) if the adjusted gross income of the taxpayer is five thousand dollars ($5,000) or less. If the adjusted gross income exceeds five thousand dollars ($5,000) for the taxable year, the amount of the special tax credit shall be reduced by fifty cents ($0.50) for each one dollar ($1) of such income in excess of five thousand dollars ($5,000).

(2) In the case of a head of household, a surviving spouse, or a married couple filing a joint return, the special tax credit shall be eighty dollars ($80) if the adjusted gross income of the taxpayer is ten thousand dollars ($10,000) or less. If the adjusted gross income of the

taxpayer exceeds ten thousand dollars ($10,000) for the taxable year, the amount of the special tax credit shall be reduced by fifty cents ($0.50) for each one dollar ($1) of such income in excess of ten thousand dollars ($10,000).

(3) The special tax credit set forth in this subdivision shall not be available to a single person or a married person filing a separate return whose total income (as defined in subdivision (i) exceeds ten thousand dollars ($10,000), or a head of household, a surviving spouse, or a married couple filing a joint return whose total income exceeds twenty thousand dollars ($20,000).

(4) The special tax credit set forth in this subdivision shall not be available to any taxpayer required to pay the tax on preference income imposed in Chapter 2.1 (commencing with Section 17062), during the taxable year.

(f) If, after the tax credit provided by this section is claimed, the Franchise Tax Board determines that the taxpayer's tax liability is more or less than the amount shown on the return, a corresponding adjustment shall be made by the Franchise Tax Board for the special tax credit.

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

(h) For the purposes of this section, the adjusted gross income of a nonresident means gross income from sources both within and without this state less the deductions allowed by Section 17072.

(i) For the purposes of this section, total income means adjusted gross income, as defined in Section 17072, increased by the adjustments to income provided in subdivision (h) of Section 17072 (relating to forfeited interest penalty), Section 17138 (relating to sick pay), Sections 17146 to 17147, inclusive (relating to military exclusion), Sections 17202 to 17202.3, inclusive (relating to employee business expenses), Section 17240 (relating to individual retirement accounts, annuities, and bond deductions), Section 17266 (relating to moving expenses), Section 17502.9 (relating to self-employed defined benefit plans), and Section 17524 (relating to self-employed retirement plan deductions).

SEC. 3. Section 17502.9 of the Revenue and Taxation Code is amended to read:

17502.9. (a) A defined benefit plan satisfies the requirements of this section only if the basic benefit accruing under the plan for each plan year of participation by an employee within the meaning of Section 17502.2(a) is permissible under regulations prescribed by the Franchise Tax Board under this section to insure that there will be reasonable comparability (assuming level funding) between the maximum retirement benefits which may be provided with favorable tax treatment under this part for such employees under—

(1) Defined contribution plans,

(2) Defined benefit plans, and

(3) A combination of defined contribution plans and defined

benefit plans.

(b) The regulations prescribed under this section shall provide that a plan does not satisfy the requirements of this section if, under the plan, the basic benefit of any employee within the meaning of Section 17502.2(a) may exceed the sum of the products for each plan year of participation of—

(1) His annual compensation (not in excess of twenty-five thousand dollars ($25,000) for such year, and

(2) The applicable percentage determined under subdivision (c).

(c) (1) For purposes of subdivision (b), the applicable percentage for any individual for any plan year shall be based on the percentage shown on the following table opposite his age when his current period of participation in the plan began.

Age when participation began:	Applicable percentage
30 or less	3.5
35	2.8
40	2.3
45	1.8
50	1.5
55	1.2
60 or over	1.0

(2) The regulations prescribed under this section shall include provisions—

(A) For applicable percentages for ages between any two ages shown on the table,

(B) For adjusting the applicable percentages in the case of plans providing benefits other than a basic benefit,

(C) That any increase in the rate of accrual, and any increase in the compensation base which may be taken into account, shall, with respect only to such increase, begin a new period of participation in the plan, and

(D) When appropriate, in the case of periods beginning after December 31, 1977, for adjustments in the applicable percentages based on changes in prevailing interest and mortality rates occurring after 1973.

(d) A defined benefit plan which provides contributions or benefits for owner-employees does not satisfy the requirements of this section unless such plan meets the requirements of Section 17501(d) without taking into account contributions or benefits under Chapter 2 of the Internal Revenue Code of 1954 (relating to tax on self-employment income), Chapter 21 (relating to Federal Insurance Contributions Act), Title II of the Social Security Act, or any other federal or state law.

(e) For purposes of this section—

(1) The term "basic benefit" means a benefit in the form of a straight life annuity commencing at the later of—

(A) Age 65, or

(B) The day five years after the day the participant's current period of participation began—

Under a plan which provides no ancillary benefits and to which employees do not contribute.

(2) The term "compensation" means in the case of an employee within the meaning of Section 17502.2(a) the earned income of such individual.

(f) Section 17524 (relating to special limitations for self-employed individuals) does not apply to a trust to which this section applies.

SEC. 4. Section 25402 of the Revenue and Taxation Code is amended to read:

25402. (a) The Franchise Tax Board may grant a reasonable extension of time for filing any return, declaration, statement, or other document required by this part or by regulations. No such extension or extensions shall aggregate more than six months from the due date for filing the return.

(b) An extension of six months for the filing of the return of taxes imposed by this part shall be allowed any bank or corporation if, in such manner and at such time as the Franchise Tax Board may by regulations prescribe, there is filed on behalf of such bank or corporation the form prescribed by the Franchise Tax Board, and if such bank or corporation pays, on or before the date prescribed for payment of the tax, the amount properly estimated as provided in Section 25561 or 25562; but this extension may be terminated at any time by the Franchise Tax Board by mailing to the taxpayer notice of such termination at least 10 days prior to the date for termination fixed in such notice.

SEC. 5. Section 25561 of the Revenue and Taxation Code is amended to read:

25561. For purposes of this article, in the case of a corporation other than a financial corporation, the term "estimated tax" means the amount which the corporation estimates as the amount of the tax imposed by this part; but in no event shall the estimated tax of a corporation subject to the tax imposed by Article 2 of Chapter 2 be less than the minimum tax prescribed in Section 23151, 23151.1, or 23153 whichever is applicable.

SEC. 6. Section 25562 of the Revenue and Taxation Code is amended to read:

25562. For purposes of this article, in the case of banks and financial corporations, the term "estimated tax" means the amount which the bank or financial corporation estimates as the amount of the tax imposed by this part at the rate determined by the Franchise Tax Board for the preceding year pursuant to Section 23186a, less the credit allowable by Section 23184, but in no event shall the estimated tax of a financial corporation be less than the minimum tax prescribed in Section 23183, 23184, or 23153 whichever is applicable.

SEC. 7. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

However, the provisions of this act shall be applied in the computation of taxes for taxable years beginning on or after the first day of the calendar year in which this act becomes effective provided the effective date is more than 90 days prior to the last day of the calendar year. If the effective date is 90 days or less prior to the last day of the calendar year, the provisions of this act shall apply in the computation of taxes for taxable years beginning on or after the first day of the calendar year following the effective date.

CHAPTER 462

An act to add and repeal Section 1198.3 to the Labor Code, relating to the Industrial Welfare Commission, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 1198.3 is added to the Labor Code, to read:

1198.3. (a) The Chief of the Division of Labor Standards Enforcement may, when in his judgment hardship will result, exempt any employer or employees from any mandatory day or days off requirement contained in any order of the commission. Any exemption granted by the chief pursuant to this section shall be only of sufficient duration to permit the employer or employees to comply with the requirements contained in the order of the commission, but not more than one year. The exemption may be renewed by the chief only after he has investigated and is satisfied that a good faith effort is being made to comply with the order of the commission.

(b) No employer shall discharge or in any other manner discriminate against any employee who refuses to work hours in excess of those permitted by the order of the commission.

(c) This section shall remain in effect only until June 30, 1979, and as of such date is repealed, unless a later enacted statute, which is chaptered before June 30, 1979, deletes or extends such date.

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

Due to the current drought and a lack of available labor, certain agricultural operations in California are unable to comply with existing orders of the Industrial Welfare Commission without severe hardship and loss of crops. In order to allow relief for such operations during the current season and avoid the loss of existing crops, it is necessary that this act take effect immediately.

CHAPTER 463

An act to add Section 6869 to the Harbors and Navigation Code, relating to river port districts.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 6869 is added to the Harbors and Navigation Code, to read:

6869. (a) In lieu of the benefits afforded pursuant to Division 4 (commencing with Section 3200) and Division 4.7 (commencing with Section 6200) of the Labor Code, the district may agree to provide workers' compensation benefits to its stevedore employees in amounts, and under such conditions, as would be payable to stevedore employees of private employers pursuant to the Longshoremen's and Harbor Workers' Compensation Act (33 U.S.C. 901, et seq.).

(b) Such an agreement shall be binding upon the parties only if it is in writing and signed by the employee and by a representative of the district. It shall acknowledge, in writing, that the benefits agreed upon are authorized by this section and are expressly in lieu of any benefits available under Division 4 (commencing with Section 3200) and Division 4.7 (commencing with Section 6200) of the Labor Code.

(c) All claims for benefits against the district which are authorized by this section shall be determined pursuant to law and the rules and regulations of the Workers' Compensation Appeals Board. To the fullest extent possible, the Workers' Compensation Appeals Board shall attempt to apply the Longshoremen's and Harbor Workers' Compensation Act to employees covered by this section in the same manner as applicable to private employees.

(d) Notwithstanding the provisions of Section 11779 of the Insurance Code or any other provision of law, the State Compensation Insurance Fund may provide insurance coverage for the benefits authorized by this section.

CHAPTER 464

An act to amend Section 11512.4 of the Insurance Code, relating to health coverage.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 11512.4 of the Insurance Code is amended to read:

11512.4. (a) Blanket hospital service contracts may be issued to a college or school or to the head or principal thereof or to the governing board of any school district providing for services to pupils of such schools when such services are required as the result of accident to such pupils while they are required to be in or on buildings or other premises of the school or district during the time they are required to be therein or thereon by reason of their attendance upon a college or regular day school or any regular day school of a school district or while being transported to and from school or other place of instruction. No pupil shall be compelled to accept such service without the consent of his parent or legal guardian.

(b) A blanket hospital service contract authorized by this section may include either a coordination of benefits contract provision or a nonduplication of benefits contract provision, at the option of the contracting agency. Any contract containing such a provision shall disclose to the contracting agency, or the parents or legal guardians of pupils served by such contract, the essential features of any such provision. All such disclosures shall state whether or not the services provided under such blanket hospital service contract are subject to reduction, to the extent provided in such contract, if an individual covered thereunder is entitled to benefits, whether on an indemnity basis or on a provision-of-service basis, for hospital, medical, dental, or surgical expenses under any other valid and collectible individual, group, or blanket insurance policy or contract, hospital or medical service program, or group-practice prepayment plan, except for automobile medical payments insurance.

The disclosure material shall be submitted to the commissioner for review along with the blanket hospital service contract.

(c) A blanket hospital service contract providing the coverages specified under the provisions of subdivision (a), (b), (c), (d), and (e) of Section 10270.2, other than accidental death or dismemberment benefits, may be issued to any class of persons eligible for such coverages under Section 10270.2, or a group hospital services contract providing the coverages specified under the provisions of paragraph 5 of subdivision (a) of Section 10270.5, other than accidental death or dismemberment benefits, may be issued to any class of persons eligible for such coverages under paragraph (5) of subdivision (a) of Section 10270.5.

CHAPTER 465

An act to amend Section 56833 of the Education Code, relating to special schools and classes.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 56833 of the Education Code is amended to read:

56833. Notwithstanding any other provisions of this chapter or of Article 3 (commencing with Section 16190) of Chapter 8 of Part 10 of Division 1 of Title 1, whenever the school district wherein the development center is located does not have adequate facilities to provide for the education of physically handicapped or mentally retarded pupils in development centers, such school district shall apply pursuant to Section 16200 for such funds as may be necessary to construct needed facilities for the education of such pupils. The applicant school district shall accept such funds as are disbursed pursuant to the application whether or not the funds constitute the maximum amount applied for, and shall repay such funds in accordance with the provisions of Article 3 (commencing with Section 16190) of Chapter 8 of Part 10 of Division 1 of Title 1.

For the purposes of this section, physically handicapped or mentally retarded pupils in development centers shall include those pupils from other school districts where the education of such pupils is the responsibility of the applicant district by virtue of contracts with the districts in which such pupils are living; provided that such contracts are for fixed periods of not less than four years.

In addition to the payments required by Section 56814 when the district is providing education to any physically handicapped or mentally retarded pupils in a development center, facilities constructed pursuant to an application and apportionments under Section 16200, the county or city and county of the pupil's residence shall pay to the school district maintaining such facilities a pro rata share of the repayment required pursuant to Section 16200. The pro rata share shall be based upon the ratio in the previous fiscal year of units of average daily attendance of physically handicapped or mentally retarded pupils being educated in development centers from the county or city and county of residence to the total number of such units of average daily attendance. Payments so received by the school district maintaining the facilities shall be deposited in the general fund of the district to offset amounts withheld by the State Controller pursuant to Section 16200.

CHAPTER 466

An act to add Section 23251.1 to the Food and Agricultural Code, relating to brands.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 23251.1 is added to the Food and Agricultural Code, to read:

23251.1. For the purposes of this article, "brand" also includes a design which is made by applying a super-cold iron that permanently causes white hair growth or a bald mark on the animal.

As used in this section, "super-cold iron" means one that is cooled to at least a minus 195 degrees Celsius (minus 319 degrees Fahrenheit).

CHAPTER 467

An act to amend Section 770.1 of the Insurance Code, relating to insurance.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 770.1 of the Insurance Code is amended to read:

770.1. No person making a loan of money on the security of real property shall use or make available to any person information contained in a policy of fire or casualty insurance for the purpose of soliciting such insurance coverage if the borrower has filed with such lender a statement signed by the borrower that such policy information shall not be so used or made available. Such statement may be included by the borrower in his letter of authorization designating an insurance agent or broker to the lender. Such statement or letter of authorization shall be effective until superseded or revoked by the borrower. This section shall not apply to any person authorized or licensed to make loans pursuant to either Division 7 (commencing with Section 18000) or Division 9 (commencing with Section 22000) of the Financial Code.

CHAPTER 468

An act to amend Section 21382.2 of, and to repeal and add Section 21367 of, the Government Code, and to amend Section 4707 of the Labor Code, relating to the Public Employees Retirement System.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 21367 of the Government Code is repealed.

SEC. 2. Section 21367 is added to the Government Code, to read:

21367. Upon notice of a death as a result of which the special death benefit may be payable, and when there is a survivor who would qualify under subdivision (b) of Section 21364, the board, or in disputed cases, the Workmen's Compensation Appeals Board, shall determine whether the death was industrial, and pending final determination of such issue, the board shall temporarily pay special death benefits. Such temporary payments shall be deducted from any other death benefits otherwise payable if the death is determined not to be industrial.

SEC. 3. Section 21382.2 of the Government Code is amended to read:

21382.2. If the death benefit provided by Section 21361 is payable on account of a state member's death which occurs under circumstances other than those described in subdivision (a) (5) of Section 21360, or if an allowance under Section 21365.5 is payable, (a) the surviving wife or surviving husband of the member, who has the care of unmarried children, including stepchildren, of the member who are under 18 years of age, or are incapacitated because of disability which began before and has continued without interruption after attainment of such age, or if there is no such spouse, then (b) the guardian of surviving unmarried children, including stepchildren, of the member who are under 18 years of age or so incapacitated, if any, or (c) the surviving wife or surviving husband of the member, who does not qualify under (a) of this subdivision, if any, or if no such children under (b) or such spouse under (c), then (d) each surviving parent of the member, shall be paid regardless of the benefit provided by Section 21361, and of the beneficiary designated by the member under that section, or regardless of the allowance provided under Section 21365.5, the following applicable survivor allowance, under the conditions stated and from contributions of the state:

(1) A widow or a widower who was married to such member prior to the occurrence of the injury or onset of the illness which resulted in death, and has the care of unmarried children, including stepchildren, of the deceased member under 18 years of age or so incapacitated, shall be paid four hundred fifty dollars ($450) if there

is one such child, or five hundred thirty-eight dollars ($538) per month if there are two or more such children. If there also are such children who are not in the care of the surviving spouse, the portion of the allowance payable under this paragraph, assuming that these children were in the care of the surviving spouse, which is in excess of two hundred twenty-five dollars ($225) per month, shall be divided equally among all such children and payments made to the spouse and other children, as the case may be.

(2) If there is no such surviving spouse, or if such surviving spouse dies or remarries, and if there are unmarried children, including stepchildren, of the deceased member under 18 years of age, or if there are such children not in the care of such spouse, such children shall be paid an allowance as follows:

(a) If there is only one such child, such child shall be paid two hundred twenty-five dollars ($225) per month;

(b) If there are two such children, such children shall be paid four hundred fifty dollars ($450) per month divided equally between them; and

(c) If there are three or more such children, such children shall be paid five hundred thirty-eight dollars ($538) per month divided equally among them.

(3) A widow or a widower who has attained or attains the age of 62 years, and, with respect to both widow and widower, who was married to such member prior to the occurrence of the injury or onset of the illness which resulted in death, and has not remarried subsequent to the member's death, shall be paid two hundred twenty-five dollars ($225) per month. No allowance shall be paid under this subdivision, while the surviving spouse is receiving an allowance under subdivision (1) of this section, or while an allowance is being paid under subdivision (2) (c) of this section. The allowance paid under this subdivision shall be eighty-eight dollars ($88) per month while an allowance is being paid under subdivision (2) (b) of this section.

(4) If there is no surviving spouse, or surviving children who qualify for a survivor allowance, or if such surviving spouse dies or remarries, or if such children reach age 18 or die or marry prior thereto, each of the member's dependent mother and father who has attained or attains the age of 62, and who received at least one-half of his support from the member at the time of the member's death, shall be paid two hundred twenty-five dollars ($225) per month.

"Stepchildren," for purposes of this section, shall include only stepchildren of the member living with him in a regular parent-child relationship at the time of his death.

This section shall apply to beneficiaries receiving allowances on July 1, 1975, as well as to beneficiaries with respect to the death of a state member occurring on or after July 1, 1975.

Notwithstanding Section 20019.1, this section shall not apply to school members.

SEC. 4. Section 4707 of the Labor Code is amended to read:

4707. No benefits, except reasonable expenses of burial, not exceeding one thousand dollars ($1,000) shall be awarded under this division on account of the death of an employee who is a member of the Public Employees' Retirement System unless it shall be determined that a special death benefit, as defined in the Public Employees' Retirement Law, or the benefit provided in lieu of the special death benefit in Section 21365.6 of the Government Code, will not be paid by the Public Employees' Retirement System to the widow or children under 18 years of age, of the deceased, on account of said death, but if the total death allowance paid to said widow and children shall be less than the benefit otherwise payable under this division such widow and children shall be entitled, under this division, to the difference.

The amendments to this section during the 1977–78 Regular Session shall be applied retroactively to July 1, 1976.

CHAPTER 469

An act to amend Section 2626 of the Unemployment Insurance Code, relating to unemployment insurance.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 2626 of the Unemployment Insurance Code is amended to read:

2626. "Disability" or "disabled" includes both mental or physical illness, mental or physical injury, and, to the extent specified in Section 2626.2, pregnancy. An individual shall be deemed disabled in any day in which, because of his physical or mental condition, he is unable to perform his regular or customary work. An individual shall also be deemed disabled on any day in which he is ordered not to work by a written order from a state or local health officer because he is infected with, or suspected of being infected with, a communicable disease.

SEC. 2. This act shall become operative with respect to periods of disability commencing on or after the effective date of this act.

CHAPTER 470

An act to amend Section 12804 of the Vehicle Code, relating to drivers' licenses.

[Approved by Governor September 2, 1977 Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 12804 of the Vehicle Code is amended to read:

12804. (a) The examination shall include a test of the applicant's knowledge and understanding of the provisions of this code governing the operation of vehicles upon the highways, the ability to read and understand simple English used in highway traffic and directional signs, and his understanding of traffic signs and signals, including the bikeway signs, markers, and traffic control devices established by the Department of Transportation. The applicant shall be required to give an actual demonstration of his ability to exercise ordinary and reasonable control in operating a motor vehicle by driving the same under the supervision of an examining officer and submit to an examination appropriate to the type of motor vehicle or combination of vehicles he desires a license to drive, except that the department may waive the driving test part of the examination of an applicant who holds a valid license issued by another state, territory or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico. The examination shall also include a test of the hearing and eyesight of the applicant and such other matters as may be necessary to determine the applicant's mental and physical fitness to operate a motor vehicle upon the highways and whether any ground exists for refusal of a license under this code. The examination for a class 1 or class 2 license under subdivision (b) of this section shall also include a report of a medical examination of the applicant given not more than two years prior to the date of the application by a physician licensed to practice medicine. The report shall be on a form approved by the department or by the Federal Highway Administration or the Federal Aviation Administration of the United States Department of Transportation. In establishing the requirements consideration may be given to the standards presently required of motor carrier drivers by the Federal Highway Administration of the United States Department of Transportion. Any physical defect of the applicant which in the opinion of the department is compensated to insure safe driving ability shall not prevent the issuance of a license to the applicant.

(b) In accordance with the following classifications any applicant for a driver's license shall be required to submit to an examination appropriate to the type of motor vehicle or combination of vehicles he desires a license to drive:

(1) Class 1. Any combination of vehicles and includes the operation of all vehicles under class 2 and class 3.

(2) Class 2. Any bus, any "farm labor truck," any single vehicle with three or more axles, any such vehicles towing another vehicle weighing less than 6,000 pounds gross, and all vehicles covered under class 3.

(3) Class 3. A three-axle housecar, any two-axle vehicle, and any such housecar or vehicle towing another vehicle weighing less than

6,000 pounds gross, except a bus, two-wheel motorcycle, two-wheel motor-driven cycle, or "farm labor truck."

(4) Class 4. Any two-wheel motorcycle, any two-wheel motor-driven cycle, or any motorized bicycle. Authority to operate vehicles included in a class 4 license may be granted by endorsement on a class 1, 2 or 3 license upon completion of appropiate examination.

(c) Class 1 and class 2 drivers' licenses shall be valid for operating class 1 or class 2 vehicles only when a medical certificate approved by the department or the Federal Highway Administration or the Federal Aviation Administration of the United States Department of Transportation is in the licensee's immediate possession which has been issued within two years of the date of the operation of such vehicle, otherwise the license shall be valid only for operating class 3 vehicles and class 4 vehicles if so endorsed. A person holding a valid class 1 or class 2 driver's license on May 3, 1972, may operate class 1 or class 2 vehicles without a medical certificate until such time as the license expires.

(d) The department may accept a certificate of driving experience in lieu of a driving test on class 1 or 2 applications when such certificate is issued by an employer of the applicant provided the applicant has first qualified for a class 3 license and also met the other examination requirements for the license for which he is applying. Such certificate may be submitted as evidence of the applicant's experience or training in the operation of the types of equipment covered by the license for which he is applying.

(e) The department may accept a certificate of competence in lieu of a driving test on class 4 applications when such certificate is issued by a law enforcement agency for its officers who operate class 4 vehicles in their duties provided the applicant has also met the other examination requirements for the license for which he is applying.

(f) Notwithstanding the provisions of subdivision (b), any person holding a valid California driver's license of any class may operate a motorized bicycle without taking any special examination for the operation of a motorized bicycle, and without having a class 4 endorsement on such license.

SEC. 2. Section 12804 of the Vehicle Code is amended to read:

12804. (a) The examination shall include a test of the applicant's knowledge and understanding of the provisions of this code governing the operation of vehicles upon the highways, the ability to read and understand simple English used in highway traffic and directional signs, and his understanding of traffic signs and signals, including the bikeway signs, markers, and traffic control devices established by the Department of Transportation. The applicant shall be required to give an actual demonstration of his ability to exercise ordinary and reasonable control in operating a motor vehicle by driving the same under the supervision of an examining officer and submit to an examination appropriate to the type of motor vehicle or combination of vehicles he desires a license to drive,

except that the department may waive the driving test part of the examination of an applicant who holds a valid license issued by another state, territory or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico. The examination shall also include a test of the hearing and eyesight of the applicant and such other matters as may be necessary to determine the applicant's mental and physical fitness to operate a motor vehicle upon the highways and whether any ground exists for refusal of a license under this code. The examination for a class 1 or class 2 license under subdivision (b) of this section shall also include a report of a medical examination of the applicant given not more than two years prior to the date of the application by a physician licensed to practice medicine. The report shall be on a form approved by the department or by the Federal Highway Administration or the Federal Aviation Administration of the United States Department of Transportation. In establishing the requirements consideration may be given to the standards presently required of motor carrier drivers by the Federal Highway Administration of the United States Department of Transportation. Any physical defect of the applicant which in the opinion of the department is compensated to insure safe driving ability shall not prevent the issuance of a license to the applicant.

(b) In accordance with the following classifications any applicant for a driver's license shall be required to submit to an examination appropriate to the type of motor vehicle or combination of vehicles he desires a license to drive:

(1) Class 1. Any combination of vehicles and includes the operation of all vehicles under class 2 and class 3.

(2) Class 2. Any bus, any "farm labor truck," any single vehicle with three or more axles, any such vehicles towing another vehicle weighing less than 6,000 pounds gross, and all vehicles covered under class 3.

(3) Class 3. A three-axle housecar, any two-axle vehicle, any such housecar or vehicle towing another vehicle weighing less than 6,000 pounds gross, and any two-axle vehicle weighing 4,000 pounds or more unladen when towing a trailer coach not exceeding 9,000 pounds gross, except a bus, two-wheel motorcycle, two-wheel motor-driven cycle, or "farm labor truck."

(4) Class 4. Any two-wheel motorcycle, any two-wheel motor-driven cycle, or any motorized bicycle. Authority to operate vehicles included in a class 4 license may be granted by endorsement on a class 1, 2 or 3 license upon completion of appropriate examination.

(c) Class 1 and class 2 driver's licenses shall be valid for operating class 1 or class 2 vehicles only when a medical certificate approved by the department or the Federal Highway Administration or the Federal Aviation Administration of the United States Department of Transportation is in the licensee's immediate possession which has been issued within two years of the date of the operation of such vehicle, otherwise the license shall be valid only for operating class

3 vehicles and class 4 vehicles if so endorsed. A person holding a valid class 1 or class 2 driver's license on May 3, 1972, may operate class 1 or class 2 vehicles without a medical certificate until such time as the license expires.

(d) The department may accept a certificate of driving experience in lieu of a driving test on class 1 or 2 applications when such certificate is issued by an employer of the applicant provided the applicant has first qualified for a class 3 license and also met the other examination requirements for the license for which he is applying. Such certificate may be submitted as evidence of the applicant's experience or training in the operation of the types of equipment covered by the license for which he is applying.

(e) The department may accept a certificate of competence in lieu of a driving test on class 4 applications when such certificate is issued by a law enforcement agency for its officers who operate class 4 vehicles in their duties provided the applicant has also met the other examination requirements for the license for which he is applying.

(f) Notwithstanding the provisions of subdivision (b), any person holding a valid California driver's license of any class may operate a motorized bicycle without taking any special examination for the operation of a motorized bicycle, and without having a class 4 endorsement on such license.

SEC. 3. It is the intent of the Legislature, if this bill and Senate Bill No. 348 are both chaptered and become effective January 1, 1978, both bills amend Section 12804 of the Vehicle Code, and this bill is chaptered after Senate Bill No. 348, that the amendments to Section 12804 proposed by both bills be given effect and incorporated in Section 12804 in the form set forth in Section 2 of this act. Therefore, Section 2 of this act shall become operative only if this bill and Senate Bill No. 348 are both chaptered and become effective January 1, 1978, both amend Section 12804, and this bill is chaptered after Senate Bill No. 348, in which case Section 1 of this act shall not become operative.

CHAPTER 471

An act to amend Sections 68097, 68097.1, 68097.2, 68097.5, 68097.6, 68097.7, 68097.9, and 68097.10 of the Government Code, relating to subpoenaed public employees.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 68097 of the Government Code is amended to read:

68097. Witnesses in civil cases may demand the payment of their mileage and fees for one day, in advance, and when so demanded shall not be compelled to attend until the allowances are paid except as hereinafter provided for employees of the Department of Justice who are peace officers or analysts in technical fields, members of the California Highway Patrol, sheriffs, deputy sheriffs, marshals, deputy marshals, firemen, and city policemen.

For the purposes of this section and Sections 68097.1 through 68097.10, the term "member of the California Highway Patrol" shall include those persons employed as vehicle inspection specialists by the California Highway Patrol.

SEC. 2. Section 68097.1 of the Government Code is amended to read:

68097.1. Whenever an employee of the Department of Justice who is a peace officer or an analyst in a technical field, member of the California Highway Patrol, sheriff, deputy sheriff, marshal, deputy marshal, fireman or city policeman is required as a witness before any court or other tribunal in any civil action or proceeding in connection with a matter regarding an event or transaction which he has perceived or investigated in the course of his duties, a subpoena requiring his attendance may be served by delivering a copy either to such member personally or to his immediate superior. The attendance of an employee of the Department of Justice who is a peace officer or an analyst in a technical field, member of the California Highway Patrol, sheriff, deputy sheriff, marshal, deputy marshal, fireman or city policeman may be required pursuant to this section only in accordance with the provisions of Section 1989 of the Code of Civil Procedure.

As used in this section and in Sections 68097.2 and 68097.5, "tribunal" means any person or body before whom or which attendance of witnesses may be required by subpoena, including an arbitrator in arbitration proceedings.

SEC. 3. Section 68097.2 of the Government Code is amended to read:

68097.2. Any employee of the Department of Justice who is a peace officer or an analyst in a technical field, member of the California Highway Patrol, sheriff, deputy sheriff, marshal, deputy marshal, fireman, or city policeman who is obliged by a subpoena issued pursuant to Section 68097.1 to attend as a witness, shall receive the salary or other compensation to which he is normally entitled from the public entity by which he is employed during the time that he travels to and from the place where the court or other tribunal is located and while he is required to remain at such place pursuant to such subpoena. He shall also receive from the public entity by which he is employed the actual necessary and reasonable traveling expenses incurred by him in complying with such subpoena.

The party at whose request such subpoena is issued shall reimburse

the public entity for the full cost to the public entity incurred in reimbursing the officer as provided for in this section, for each day that such officer is required to remain in attendance pursuant to such subpoena. The amount of seventy-five dollars ($75) shall be deposited with the clerk of the court or with the tribunal prior to the issuance of a subpoena pursuant to this section for each day that such officer is required to remain in attendance pursuant to such subpoena.

If the actual expenses should later prove to be less than the amount deposited, the excess of the amount deposited shall be refunded.

If the actual expenses should later prove to be more than the amount deposited, the difference shall be paid to the public entity by the party at whose request the subpoena is issued.

If a court continues a proceeding on its own motion, no additional deposit may be required prior to the issuance of a subpoena or the making of an order directing such officer to appear on the date to which the proceeding is continued.

SEC. 4. Section 68097.5 of the Government Code is amended to read:

68097.5. No employee of the Department of Justice who is a peace officer or an analyst in a technical field, member of the California Highway Patrol, sheriff, deputy sheriff, marshal, deputy marshal, fireman or city policeman shall be ordered to return by the court for subsequent proceedings beyond the day stated in the subpoena referred to in Sections 68097.1, 68097.2, 68097.3 and 68097.4, or the day upon which such witness appeared pursuant to the provisions of Section 68097.9, unless the party at whose request such subpoena was issued or the party at whose request the witness is ordered to return, shall first deposit with the clerk of the court or with the tribunal the same sum required to be deposited for the issuance of a subpoena in the first instance.

SEC. 5. Section 68097.6 of the Government Code is amended to read:

68097.6. The provisions of Sections 68097.1, 68097.2, 68097.3, 68097.4 and 68097.5 of this code shall be applicable to subpoenas issued for the taking of depositions of employees of the Department of Justice who are peace officers or analysts in technical fields, members of the California Highway Patrol, sheriffs, deputy sheriffs, marshals, deputy marshals, firemen or city policemen pursuant to Section 2019 of the Code of Civil Procedure.

SEC. 6. Section 68097.7 of the Government Code is amended to read:

68097.7. Any person who pays or offers to pay any money or other form of consideration for the services of any employee of the Department of Justice who is a peace officer or an analyst in a technical field, member of the California Highway Patrol, sheriff, deputy sheriff, marshal, deputy marshal, fireman or city policeman as a witness in any action or proceeding in connection with a matter regarding an event or transaction which he has perceived or

investigated in the course of his duties in any manner other than as provided in Sections 68097.1, 68097.2, 68097.3, 68097.4, 68097.5 and 68097.6 is guilty of a misdemeanor and any employee of the Department of Justice who is a peace officer or an analyst in a technical field, member of the California Highway Patrol, sheriff, deputy sheriff, marshal, deputy marshal, fireman or city policeman who asks or receives any such payment except as provided in Sections 68097.2 and 68097.4 is likewise guilty of a misdemeanor.

SEC. 7. Section 68097.9 of the Government Code is amended to read:

68097.9. An employee of the Department of Justice who is a peace officer or an analyst in a technical field, member of the California Highway Patrol, sheriff, deputy sheriff, marshal, deputy marshal, fireman or city policeman who has been subpoenaed pursuant to the provisions of Section 68097.1, 68097.3, or 68097.6, may, in lieu of attendance at the time specified in the subpoena, agree with the party at whose request such subpoena was issued to appear at another time or pursuant to such notice as may be agreed upon.

SEC. 8. Section 68097.10 of the Government Code is amended to read:

68097.10. Whenever an employee of the Department of Justice who is a peace officer or an analyst in a technical field, member of the California Highway Patrol, sheriff, deputy sheriff, marshal, deputy marshal, fireman or city policeman appears as a witness pursuant to Section 68097.1 and reimbursement is not made as provided for in Section 68097.2, then the Department of Justice, the California Highway Patrol, or the public entity employing the employee, sheriff, deputy sheriff, marshal, deputy marshal, fireman or city policeman shall have standing to bring an action in order to recover such funds.

CHAPTER 472

An act to amend Sections 18, 28, 29, 30, and 125 of, and to add Sections 130.2, 130.4, and 130.6 to, the Drainage District Act of 1903 (Chapter 238 of the Statutes of 1903), relating to drainage districts.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 18 of the Drainage District Act of 1903 (Chapter 238 of the Statutes of 1903) is amended to read:

Sec. 18. On the last Friday in November following the election, the directors who shall have been elected at the general district election, shall meet and organize as a board, elect a president and appoint a secretary, who shall each hold office during the pleasure of the board.

The office of the board of directors of any such district may be established by said board of directors at some proper and convenient place within or without the district, but after the office is once established it shall not be changed without giving notice thereof by posting in three public places in the district and by publishing a similar notice for 30 days in some newspaper of general circulation published in the county where such district is organized.

SEC. 2. Section 28 of the Drainage District Act of 1903 (Chapter 238 of the Statutes of 1903) is amended to read:

Sec. 28. All bonds issued under the provisions of this act shall be payable in lawful money of the United States. Subject to the provisions of this act, the board of directors shall prescribe the form of such bonds and of the interest coupons to be attached thereto. An issue of bonds is hereby defined to be all of the bonds issued in accordance with a proposal approved by the electors of the district. Each issue of the bonds of a district shall be numbered consecutively as authorized and the bonds of each issue shall be numbered consecutively. The board of directors shall fix the date of such bonds, or may divide any issue into two or more divisions and fix different dates and different rates of interest for the bonds of the respective divisions. The date of any bond must be subsequent to the election at which its issuance was authorized. Said bonds shall be made payable at such times as the board of directors may prescribe, but in no case shall the maturity of any bond be more than forty years from the date thereof. Said bonds shall bear interest at a rate to be fixed by the board of directors, not exceeding 8 percent per annum, payable semiannually on the first day of January and the first day of July of each year. The principal and interest shall be payable at a place to be designated by the board of directors and specified in each bond. The bonds shall be each of the denomination of not less than one thousand dollars ($1,000), nor more than ten thousand dollars ($10,000), as prescribed by the board of directors, and shall be negotiable in form and each bond shall be signed by the president and the secretary of the board of directors who may be in office at the date of said bond or at any time thereafter prior to its delivery to a purchaser from the district, and the seal of the district shall be affixed to each bond. The interest coupons attached to each bond shall bear the signature of the secretary of the board of directors who may be in office at the date of said bond or at any time thereafter prior to the delivery of said bond to a purchaser from the district, or a facsimile of such signature. Said bonds shall express on their face that they were signed by authority of this act.

SEC. 3. Section 29 of the Drainage District Act of 1903 (Chapter 238 of the Statutes of 1903) is amended to read:

Sec. 29. The board may sell said bonds from time to time in such quantities as may be necessary and most advantageous, to raise money to carry out the objects and purposes of this act. Before making any sale the board shall, at a meeting, by resolution, declare its intention to sell a specified amount of the bonds, and the day and

hour and place of such sale, and shall cause notice of the sale to be given, by publication thereof at least two weeks in some newspaper published in the county where the office of the board of directors is located, and in any other newspaper, at its discretion. The notice shall state that sealed proposals will be received for the purchase of bonds, till the day and hour named in the resolution. The board shall award the purchase of the bonds to the highest responsible bidder; provided, however, that they may reject all bids. Said board shall, in no event, sell any of the said bonds for less than 90 percent of the par value thereof.

SEC. 4. Section 30 of the Drainage District Act of 1903 (Chapter 238 of the Statutes of 1903) is amended to read:

Sec. 30. Any bonds issued prior to January 1, 1978, under the provisions of this act shall be a lien upon the property of the district and the lien for the bonds of any issue shall be a preferred lien to that for any subsequent issue. Said bonds, and the interest thereon, shall be paid by revenue derived from an annual assessment upon the real property of the district and may be paid from any revenue of the district available for such purpose; and all the real property in the district shall be and remain liable to be assessed for such payments as hereinafter provided.

Any bonds issued on and after January 1, 1978, under the provisions of this act, and the interest thereon, shall to the extent funds are not otherwise available, be paid by revenue derived from an annual assessment upon the assessable real property in the district; and all the assessable real property in the district shall be and remain liable to be assessed for such payments as hereinafter provided.

Issuance of bonds after January 1, 1978, shall not affect the preferred lien status of bonds issued prior to that date.

SEC. 5. Section 125 of the Drainage District Act of 1903 (Chapter 238 of the Statutes of 1903) is amended to read:

Sec. 125. For the purpose of the care, operation, management, or improvement of a project or projects as are in use, including salaries of officers and employees, and all other operating expenses, and for the payment of principal of or interest on any bonds issued under the provisions of this act, the board may in lieu (either in part or in whole) of levying assessments as in this act provided for, fix rates of tolls and charges for drainage facilities or available drainage facilities and other services rendered by the district, and collect the same from all persons receiving the benefit of the drainage facilities or other services. The tolls and charges shall be proportional as nearly as possible to the service rendered.

SEC. 6. Section 130.2 is added to the Drainage District Act of 1903 (Chapter 238 of the Statutes of 1903), to read:

Sec. 130.2. The district may elect to have the county collect such tolls and charges established pursuant to Section 125 as may be designated by the board. If the district so elects, it shall certify to the county auditor of each affected county on or before the third Monday in August of each year in which the board has elected to have the

designated tolls and charges collected by the county, the following information for purposes of such collection:

(a) The total amount estimated to be collected from the entire district.

(b) The assessee parcels and assessee names for each parcel of land in the district against whom the toll or charge has been fixed and the acreage assessed to such person according to the district records and the rate or rates per acre of such toll or charge to be paid by each assessee parcel.

SEC. 7. Section 130.4 is added to the Drainage District Act of 1903 (Chapter 238 of the Statutes of 1903), to read:

Sec. 130.4. After the election and certification as provided in Section 130.2, the county auditor shall add to the tax bills for each assessee and assessee parcel the amount of such tolls and charges of the district which are certified pursuant to Section 130.2, plus that amount necessary to pay the expenses of the county for such collection and in addition to any other charges otherwise provided by this act or by law.

SEC. 8. Section 130.6 is added to the Drainage District Act of 1903 (Chapter 238 of the Statutes of 1903), to read:

Sec. 130.6. The county tax collector and treasurer shall collect, receive, and disperse to the district and to the county the tolls and charges which are collected pursuant to Section 130.4 with the regular tax payments to the county. The provisions of Sections 43 and 44 shall be applicable to the levy and collection of the tolls and charges established pursuant to Sections 130.2 and 130.4.

SEC. 8. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because self-financing authority is provided in this act to cover such costs.

CHAPTER 473

An act to amend Sections 1252 and 1253.6 of the Unemployment Insurance Code, relating to unemployment compensation.

[Approved by Governor September 2, 1977 Filed with Secretary of State September 3, 1977]

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

SECTION 1. Section 1252 of the Unemployment Insurance Code is amended to read:

1252. (a) An individual is "unemployed" in any week in which he meets any of the following conditions:

(1) Any week during which he performs no services and with respect to which no wages are payable to him.

(2) Any week of less than full-time work if the wages payable to

him with respect to that week are less than his weekly benefit amount.

(3) Any week for which, except for the requirements of subdivision (d) of Section 1253, he would be eligible for benefits under Section 1253.5.

(4) Any week during which he performs full-time work for five days as a juror, or as a witness under subpoena, if the wages payable to him with respect to that week are less than his weekly benefit amount.

(b) Authorized regulations shall be prescribed making such distinctions as may be necessary in the procedures applicable to unemployed individuals as to total unemployment, part-total employment, partial unemployment of individuals attached to their regular jobs, and other forms of short-time work.

(c) For the purpose of this section only the term "wages" includes any and all compensation for personal services whether performed as an employee or as an independent contractor or as a juror or as a witness.

SEC. 2. Section 1253.6 of the Unemployment Insurance Code is amended to read:

1253.6. For purposes of subdivision (c) of Section 1253, an unemployed individual who is in all respects otherwise eligible for unemployment compensation benefits, shall not be deemed to be not able to, or unavailable for, work for any week in which such person is not able to, or available for, work solely because such person is serving on a grand or petit jury, or is responding to a subpoena.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because the duties, obligations, or responsibilities imposed on local government by this act can be accomplished with no additional cost to local government.

CHAPTER 474

An act to amend Sections 22725, 22726, and 22727 of, and to add 22728 to, the Education Code, relating to the State Teachers' Retirement System.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 22725, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

22725. A member, disabilitant or retirant may elect to receive credit for time served in certificated teaching positions in child care

centers operated by a county superintendent of schools or a school district. In no event shall a member receive credit for such service if he receives, or is eligible to receive credit for such service from another retirement system. Only those retirants with effective dates of retirement prior to January 2, 1978, may elect credit under this section.

SEC. 2. Section 22726, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

22726. If a member is eligible for and elects to receive credit for service under the provisions of Section 22725, he shall pay prior to retirement or payment of a disability allowance, whichever occurs first, and in a manner provided by the board, all contributions with respect to such service. If the member is employed contributions shall be based upon the full compensation earnable at the time of election, and in the amount of:

(a) Eight percent of such compensation as employer and state cost of granting service credit and,

(b) Eight percent of such compensation as the members cost of granting service credit.

If the member is not currently employed, contributions shall be based upon the full compensation earnable at the time of last employment in a position requiring membership in the system in the amounts of subdivisions (a) and (b) above plus regular interest from the end of the school year in which last employed to the date of payment.

The employing school district may pay the amount required in subdivision (a).

SEC. 3. Section 22727, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

22727. If a retirant elects to receive credit for service under the provisions of Section 22725, he shall pay to the system the present value as of his age at the date of election for such service based upon his final compensation and retirement factor at retirement. Such payment to the system shall be in a manner prescribed by the board and the system shall recalculate the retirants allowance for prospective payment only. The new allowance shall constitute the base for application of the improvement factor under Section 22131. An eligible retirant has until January 1, 1979, to exercise the election in Section 22725.

SEC. 4. Section 22728 is added to the Education Code, to read:

22728. A disabilitant who elects to receive credit under Section 22725 shall pay to the system the present value of the additional benefit prior to age 60 based upon final compensation projected to age 60 and the retirement factor of age 60. Such payment shall be in a manner prescribed by the board. An eligible disabilitant has until January 1, 1979, to exercise the election in Section 22725.

CHAPTER 475

An act to amend Sections 34531 and 34536 of, and to repeal Section 34568 of, the Food and Agricultural Code, relating to dairy containers, and making an appropriation therefor.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 34531 of the Food and Agricultural Code is amended to read:

34531. Any person or association that is engaged in receiving, producing, manufacturing, packing, canning, bottling, handling, or selling milk or any product of milk in containers, cabinets, or other dairy equipment which is marked or otherwise identified with the name of such person or association or with any fictitious or other name or word or with any mark or device whatsoever, and any association or corporation, the members or directors of which are so engaged, may file with the department a description of the name or word, mark, or device which is so used, and an application for registration of it as a brand. The application shall be accompanied by a fee of ten dollars ($10) for each separate brand.

SEC. 2. Section 34536 of the Food and Agricultural Code is amended to read:

34536. Any certificate of registration which is granted expires on the 30th day of June of the fourth year after it was granted and may be renewed for four years by payment of a renewal fee of five dollars ($5). The renewal shall be made on forms which are supplied by the director.

SEC. 3. Section 34568 of the Food and Agricultural Code is repealed.

CHAPTER 476

An act relating to providing property tax assistance on nonirrigated land used for producing feed for livestock or planted crops in areas declared to be in a state of disaster by reason of drought conditions, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. This act shall be known and may be cited as the Livestock Raisers' Disaster Relief Act of 1977.

SEC. 2. The Legislature finds that drought conditions existing in California for the past two years have created water shortages causing severe inconvenience for many urban dwellers and others and a disaster for raisers of livestock in many areas of the state. It is the purpose of this act to provide some remedy for those most grievously injured by these arid conditions.

SEC. 3. The provisions of this act shall only apply with respect to land situated in an area which, either before or after the effective date of this act, has been declared by the Governor, the President of the United States, or a federal agency upon the request of the Governor, to be in a state of disaster by reason of drought conditions.

SEC. 4. Unless the context requires otherwise, the definitions given in this section shall govern construction of this act.

(a) "Director" means the Director of the Department of Food and Agriculture.

(b) "Land" means nonirrigated open-space land used to provide forage for livestock or for growing planted grain or other crops.

(c) "Livestock" means domestic bovine and ovine animals, goats, horses, mules, and asses.

SEC. 5. (a) On or before December 15, 1977, any assessee or lessee of land may make application by means of an affidavit to the director for property tax assistance as provided in this act. Such application shall state the location of the land, the type of use of the land, the number of acres of land for each type of use, that the land is not irrigated, that the land is used to provide forage for livestock or growing planted grain or other crops, and that such land shall be restricted to such use and compatible uses for a period of one year from the date of such application.

The application shall also state that (1) the applicant's average gross income from farming in taxable years, in the case of an individual, or income years, in the case of a corporation, beginning in 1972 to 1975, inclusive, is at least 75 percent of the average total gross income from all sources for such years, and (2) that the applicant's average gross income from farming for such period is at least five thousand dollars ($5,000), but not more than five hundred thousand dollars ($500,000).

In the case of an applicant which is a corporation or partnership, the application shall state that the majority interest in such corporation or partnership is held by stockholders or partners who meet both requirements of the preceding paragraph with respect to income from farming.

(b) Applications made pursuant to this section shall be made under penalty of perjury and shall only be accepted by the director from persons with authority to restrict the use of the land to which the application pertains.

(c) For purposes of this act, "compatible use" means:

(1) Any compatible use authorized for any property within the

county by the board of supervisors prior to January 1, 1977, under the California Land Conservation Act of 1965 provided for in Chapter 7 (commencing with Section 51200) of Part 1 of Division 1 of Title 5 of the Government Code.

(2) If the board of supervisors has not authorized any compatible uses as described in paragraph (1), "compatible use" shall mean those uses described in Section 51238 of the Government Code, housing suitable for the raising of livestock, and all structures suitable for such occupation.

SEC. 6. Within 30 days of the receipt of an application pursuant to Section 5, the director shall approve or deny the application for assistance. In the event the application is approved, the assistance granted shall not exceed the lesser of (1) 75 percent of the property taxes on the land for the 1977–78 fiscal year or (2) fifty cents ($0.50) per acre for unplanted rangeland and one dollar ($1) per acre for land on which grain or other crops were planted.

SEC. 7. In the case where an assessee of land makes application for assistance on the basis of use of the land by a lessee of the assessee to provide forage for livestock or growing planted grain or other crops, any assistance granted on the basis of such lessee's use shall be transmitted by the assessee to lessee either in the form of a reduction in rental payments or by cash refund.

SEC. 8. Ten million dollars ($10,000,000) is hereby appropriated from the General Fund to the Director of the Department of Food and Agriculture to make payments of assistance as provided in this act.

SEC. 9. This act shall remain in effect until June 30, 1978, and as of such date is repealed unless a later enacted statute which is chaptered before June 30, 1978, deletes or extends such date.

SEC. 10. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Because of the extreme drought conditions existing in many areas of California, cattlemen and other raisers of livestock are unable to graze the normal number of livestock on their acreage and farmers growing planted grain or other crops on nonirrigated lands have suffered severe crop failures or reduced yields. Thus, their incomes are reduced drastically, while their property taxes remain the same or are increased. In order to provide some remedy and relief for this situation for the 1977–78 fiscal year property taxes, it is necessary that this act take effect immediately.

CHAPTER 477

An act to amend Sections 1680, 1701, and 1804 of, and to add Sections 1701.5 and 1724.5 to, the Business and Professions Code, relating to dentistry and making an appropriation therefor.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 1680 of the Business and Professions Code is amended to read:

1680. Unprofessional conduct is defined to be any one of the following:

(a) The employment of persons known as cappers or steerers, to obtain business.

(b) The obtaining of any fee by fraud or misrepresentation.

(c) The willful betrayal of professional secrets.

(d) The employment directly or indirectly of any student or suspended or unlicensed dentist to practice dentistry as defined in this chapter.

(e) The aiding or abetting of any unlicensed person to practice dentistry.

(f) The aiding or abetting of a licensed person to practice dentistry unlawfully.

(g) Habitual intemperance.

(h) Gross immorality.

(i) The use of any false, assumed or fictitious name, either as an individual, firm, corporation or otherwise, or any name other than the name under which he is licensed to practice, in advertising or in any other manner indicating that he is practicing or will practice dentistry, except such name as is specified in a valid permit issued pursuant to Section 1701.5.

(j) The practicing or accepting or receiving any commission or the rebating in any form or manner on fees for professional services, radiograms, prescriptions or other services or articles supplied to patients.

(k) The making use of any advertising statements of a character tending to deceive or mislead the public.

(*l*) The advertising of professional superiority or the performance of professional services in a superior manner.

(m) The advertising of definite or fixed prices for professional services.

(n) The use of advertising containing as a part thereof the representation of a tooth, teeth, bridgework or any portion of the human head.

(o) The employing or the making use of solicitors.

(p) The advertising of any free dental work, or free examination.

(q) The advertising to guarantee any dental service, or to perform any dental operation painlessly.

(r) The willful violation of any of the provisions of law regulating the dispensing and administration of dangerous drugs or narcotics, or the willful violation of any of the provisions of this chapter except the payment of fees.

(s) The failure to certify, or the false certification, to the board on or after January 1, 1972, that he or any person employed by the licentiate, who operates dental radiographic equipment, has passed an examination in radiation safety conducted by the board, or the equivalent of such examination as required by Section 1656; or the permitting of any person employed by him to operate dental radiographic equipment who has not passed an examination or the equivalent of such examination in radiation safety as required by Section 1656.

(t) The clearly excessive prescribing or administering of drugs or treatment, use of diagnostic procedures, or use of diagnostic or treatment facilities which are detrimental to the patient as determined by the customary practice and standards of the local community of licensees.

SEC. 1.5. Section 1680 of the Business and Professions Code is amended to read:

1680. Unprofessional conduct is defined to be any one of the following:

(a) The employment of persons known as cappers or steerers, to obtain business.

(b) The obtaining of any fee by fraud or misrepresentation.

(c) The willful betrayal of professional secrets.

(d) The employment directly or indirectly of any student or suspended or unlicensed dentist to practice dentistry as defined in this chapter.

(e) The aiding or abetting of any unlicensed person to practice dentistry.

(f) The aiding or abetting of a licensed person to practice dentistry unlawfully.

(g) Habitual intemperance.

(h) Gross immorality.

(i) The use of any false, assumed or fictitious name, either as an individual, firm, corporation or otherwise, or any name other than the name under which he is licensed to practice, in advertising or in any other manner indicating that he is practicing or will practice dentistry, except such name as is specified in a valid permit issued pursuant to Section 1701.5.

(j) The practicing or accepting or receiving any commission or the rebating in any form or manner on fees for professional services, radiograms, prescriptions or other services or articles supplied to patients.

(k) The making use of any advertising statements of a character tending to deceive or mislead the public.

(*l*) The advertising of professional superiority or the performance of professional services in a superior manner.

(m) The advertising of definite or fixed prices for professional services.

(n) The use of advertising containing as a part thereof the representation of a tooth, teeth, bridgework or any portion of the human head.

(o) The employing or the making use of solicitors.

(p) The advertising of any free dental work, or free examination.

(q) The advertising to guarantee any dental service, or to perform any dental operation painlessly.

(r) The willful violation of any of the provisions of law regulating the dispensing and administration of dangerous drugs or narcotics, or the willful violation of any of the provisions of this chapter except the payment of fees.

(s) The failure to certify, or the false certification, to the board on or after January 1, 1972, that he or any person employed by the licentiate, who operates dental radiographic equipment, has passed an examination in radiation safety conducted by the board, or the equivalent of such examination as required by Section 1656; or the permitting of any person employed by him to operate dental radiographic equipment who has not passed an examination or the equivalent of such examination in radiation safety as required by Section 1656.

SEC. 2. Section 1701 of the Business and Professions Code is amended to read:

1701. Any person is for the first offense guilty of a misdemeanor and shall be punishable by a fine of not less than one hundred dollars ($100) or more than one thousand five hundred dollars ($1,500), or by imprisonment in the county jail for not to exceed six months, or both, and for the second or a subsequent offense is guilty of a felony and upon conviction thereof shall be punished by a fine of not less than one thousand dollars ($1,000) nor more than three thousand dollars ($3,000), or by imprisonment in the state prison, or by both such fine and imprisonment, who:

(a) Sells or barters or offers to sell or barter any dental degree or any license or transcript made or purporting to be made pursuant to the laws regulating the license and registration of dentists.

(b) Purchases or procures by barter any such diploma, license or transcript with intent that the same shall be used in evidence of the holder's qualification to practice dentistry, or in fraud of the laws regulating such practice.

(c) With fraudulent intent, makes or attempts to make, counterfeits or alters in a material regard any such diploma, certificate or transcript.

(d) Uses, attempts or causes to be used, any such diploma, certificate or transcript which has been purchased, fraudulently issued, counterfeited or materially altered, either as a license to practice dentistry, or in order to procure registration as a dentist.

(e) In an affidavit, required of an applicant for examination, license or registration under this chapter, willfully makes a false statement in a material regard.

(f) Practices dentistry or offers to practice dentistry as it is defined in this chapter, either without a license, or when his license has been revoked or suspended.

(g) Under any false, assumed or fictitious name, either as an individual, firm, corporation or otherwise, or any name other than the name under which he is licensed, practices, advertises or in any other manner indicates that he is practicing or will practice dentistry, except such name as is specified in a valid permit issued pursuant to Section 1701.5.

SEC. 3. Section 1701.5 is added to the Business and Professions Code, to read:

1701.5. Any association or partnership or corporation or group of three or more dentists, engaging in practice under any name that would otherwise be in violation of Section 1701 may practice under such name if, and only if, such association, partnership, corporation or group holds an outstanding, unexpired, unsuspended, and unrevoked permit issued by the board under the provisions of this section. The board shall issue written permits authorizing the holder to use a name specified in the permit in connection with such holder's practice if, and only if, the board finds to its satisfaction that:

(a) The applicant or applicants are duly licensed dentists.

(b) The place or establishment, or the portion thereof, in which the applicant or applicants practice, is owned or leased by the applicant or applicants, and the practice conducted at such place or establishment, or portion thereof, is wholly owned and entirely controlled by the applicant or applicants.

(c) The name under which the applicant or applicants propose to operate contains at least one of the following designations: "dental group," "dental practice," or "dental office" and contains the family name of one or more of the past, present, or prospective associates, partners, shareholders, or members of the group.

(d) All licensed persons practicing at the location designated in the application hold valid and outstanding licenses and that no charges of unprofessional conduct are pending against any persons practicing at such location.

Permits issued under this section by the board shall expire and become invalid unless renewed at the times and in the manner provided for the renewal of certificates issued under this chapter.

Any permits issued under this section may be revoked or suspended at any time that the board finds that any one of the requirements for original issuance of a permit is no longer being fulfilled by the holder to whom the permit was issued. Proceedings for revocation or suspension shall be governed by the Administrative Procedure Act.

In the event charges of unprofessional conduct are filed against the holder of a permit issued under this section, or a member of an

association or partnership or a member of a group or corporation to whom a permit has been issued under this section, proceedings shall not be commenced for revocation or suspension of the permit until final determination of such charges of unprofessional conduct and unless such charges have resulted in revocation or suspension of license.

SEC. 4. Section 1724.5 is added to the Business and Professions Code, to read:

1724.5. The amount of fees payable in connection with permits issued under Section 1701.5 is as follows:

(a) The initial permit fee is an amount equal to the renewal fee for the applicant's license to practice dentistry in effect on the last regular renewal date before the date on which the permit is issued, except that, if the permit will expire less than one year after its issuance, then the initial permit fee is an amount equal to 50 percent of the renewal fee in effect on the last regular renewal date before the date on which the permit is issued.

(b) The renewal fee shall be fixed by the board at not more than the then current amount of the renewal fee for a license to practice dentistry nor less than five dollars ($5).

(c) The delinquency fee is ten dollars ($10).

SEC. 5. Section 1804 of the Business and Professions Code is amended to read:

1804. Notwithstanding subdivision (i) of Section 1680 and subdivision (g) of Section 1701, the name of a dental corporation and any name or names under which it may be rendering professional services shall contain and be restricted to the name or the last name of one or more of the present, prospective, or former shareholders and shall include the words "dental corporation" or wording or abbreviations denoting corporate existence, unless otherwise authorized by a valid permit issued pursuant to Section 1701.5.

SEC. 6. It is the intent of the Legislature, if this bill and Assembly Bill No. 722 are both chaptered and become operative on or before January 1, 1978, and amend Section 1680 of the Business and Professions Code, and this bill is chaptered after Assembly Bill No. 722, that the amendments to Section 1680 proposed by both bills be given effect and incorporated in Section 1680 in the form set forth in Section 1.5 of this act. Therefore, Section 1.5 of this act shall become operative only if this bill and Assembly Bill No. 722 are both chaptered, both amend Section 1680, and Assembly Bill No. 722 is chaptered before this bill, in which case Section 1 of this act shall not become operative.

CHAPTER 478

An act to add Section 6076.5 to, the Business and Professions Code, relating to the State Bar.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 6076.5 is added to the Business and Professions Code, to read:

6076.5. (a) With the approval of the Supreme Court, the members of the State Bar may formulate by initiative, pursuant to the provisions of this section, rules of professional conduct for all members of the bar in the state.

(b) Only active members of the State Bar shall be proponents of initiative measures pursuant to this section.

(c) Prior to the circulation of any initiative petition for signatures, the proponents shall file the text of the proposed initiative measure with both the Secretary of the State Bar and the Clerk of the Supreme Court.

(d) Upon receipt of the text of a proposed initiative measure, the secretary shall prepare a summary of the chief purposes and points of the proposed initiative measure. The summary shall give a true and impartial statement of the purpose of the measure in such language that it shall not be an argument or likely to create prejudice either for or against the measure. The secretary shall provide a copy of the summary to the proponents within 30 days after receipt of the final version of the proposed measure. If during the 30-day period the proponents submit amendments, other than technical, nonsubstantive amendments, to the final version of such measure, the secretary shall provide a copy of the summary to the proponents within 30 days after receipt of such amendments.

(e) The proponents of any proposed initiative measure shall, prior to its circulation, place upon each section of the petition, above the text of the measure and across the top of each page of the petition on which signatures are to appear, in boldface type not smaller than 12-point, the summary prepared by the secretary.

(f) All such initiative petitions shall have printed across the top thereof in 12-point boldface type the following: "Initiative measure to be submitted directly to the members of the State Bar of California."

(g) Any initiative petition may be presented in sections, but each section shall contain a full and correct copy of the title and text of the proposed measure.

(h) The petition sections shall be designed so that each signer shall personally affix his or her:

(1) Signature;

(2) Printed name;

(3) State Bar membership number; and

(4) Principal office address for the practice of law.

Only a person who is an active member of the State Bar at the time of signing the petition is entitled to sign it.

The number of signatures attached to each section shall be at the discretion of the person soliciting the signatures.

(i) Any member of the State Bar, or employee or agent thereof, may circulate an initiative petition anywhere within the state.

Any person circulating a petition may sign the section he or she is circulating if he or she is otherwise qualified to do so.

(j) Each section shall have attached thereto the affidavit of the person soliciting the signatures stating:

(1) The qualifications of the solicitor;

(2) That the signatures affixed to the section were made in his or her presence;

(3) That to the best of his or her knowledge and belief, each signature is the genuine signature of the person whose name it purports to be;

(4) That to the best of his or her knowledge and belief, each State Bar membership number is the genuine membership number of the person whose number it purports to be; and

(5) The dates between which all signatures were obtained.

The affidavit shall be verified free of charge by any officer authorized to administer oaths.

Petitions so verified shall be prima facie evidence that the signatures thereon are genuine and that the persons signing are active members of the State Bar. Unless and until it be otherwise proven upon official investigation, it shall be presumed that the petition presented contains the signatures of the requisite number of active members of the State Bar.

(k) All sections of the petition shall be filed with the Secretary of the State Bar within 180 days after the date upon which the secretary mailed or delivered to the proponents a copy of the summary specified in subdivision (d), but all sections circulated in any State Bar district shall be filed at the same time.

(*l*) No initiative measure shall be submitted to the members of the State Bar for a vote unless with regard to each State Bar district the petition has been signed by at least 20 percent of the number of active members whose principal office for the practice of law was within the district as of the January 1 preceding the date upon which all sections of the petition from all State Bar districts were filed with the secretary.

(m) The secretary shall promptly determine the total number of signatures from each State Bar district affixed to the petition. If the total number of signatures from any State Bar district is less than the number required by subdivision (*l*), the secretary shall so notify the proponents and no further action shall be taken in regard to the petition. If the total number of signatures from each and every State

Bar district is equal to or greater than the number required by subdivision (*l*), the secretary shall verify the names and State Bar membership numbers, and may, in his discretion, verify the office addresses and signatures of the persons who signed the petition. If the total number of verified signers of the petition from any State Bar district is less than the number required by subdivision (*l*), the secretary shall so notify the proponents and no further action shall be taken in regard to the petition. If the total number of verified signers of the petition from each and every State Bar district is equal to or greater than the number required by subdivision (*l*), the secretary shall cause the initiative measure to be submitted within 90 days to all of the active members of the State Bar for mail vote pursuant to such rules and regulations as the board may from time to time prescribe.

(n) The board of governors, without petition, may also direct the secretary to cause an initiative measure embodying a rule of professional conduct formulated by the board to be submitted to all of the active members of the State Bar for mail vote in accordance with the rules and regulations prescribed by the board.

(o) If a majority of the active members of the State Bar fail to approve the initiative measure, the secretary shall so notify the proponents and the Clerk of the Supreme Court.

If a majority of the active members of the State Bar appove the initiative measure, the secretary shall cause the measure to be submitted to the Supreme Court for its consideration as a rule of professional conduct.

(p) The rules of professional conduct submitted to the Supreme Court pursuant to the provisions of this section, when approved by the Supreme Court, shall have the same force and effect as the rules of professional conduct formulated by the board of governors and approved by the Supreme Court pursuant to Sections 6076 and 6077.

CHAPTER 479

An act to amend Sections 26662 and 26664 of the Health and Safety Code, and to amend Sections 4211 and 4228 of the Business and Professions Code, relating to labeling of prescription drugs and medical devices.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 26664 of the Health and Safety Code is amended to read:

26664. A drug or device which is subject to Section 26660 is misbranded if at any time prior to dispensing, its label fails to bear

the statement "Caution: federal law prohibits dispensing without prescription," or "Caution: state law prohibits dispensing without prescription," or "Caution: federal law restricts this device to sale by or on the order of a _____," the blank to be filled in with the designation of the practitioner licensed to use or order use of the device. A drug or device to which Section 26660 does not apply is misbranded if at any time prior to dispensing its label bears the caution statement quoted in the preceding sentence.

SEC. 2. Section 4211 of the Business and Professions Code is amended to read:

4211. "Dangerous drug" means any drug unsafe for self-medication, except preparations of drugs defined in subdivisions (e), (f), (h), and (i) hereof, designed for the purpose of feeding or treating animals (other than man) or poultry, and so labeled, and includes the following:

(a) Any hypnotic drug. "Hypnotic drug" includes acetylurea derivatives, barbituric acid derivatives, chloral, paraldehyde, sulfomethane derivates, or any compounds or mixtures or preparations that may be used for producing hypnotic effects.

(b) Aminopyrine, or compounds or mixtures thereof.

(c) Amphetamine, desoxyephedrine, or compounds or mixtures thereof except preparations for use in the nose and unfit for internal use.

(d) Cinchophen, neocinchophen, or compounds or mixtures thereof.

(e) Diethyl-stilbestrol, or compounds or mixtures thereof.

(f) Ergot, cottonroot, or their contained or derived active compounds or mixtures thereof.

(g) Oils of croton, rue, savin or tansy or their contained or derived compounds or mixtures thereof.

(h) Sulfanilamide or substituted sulfanilamides, or compounds or mixtures thereof, except preparations for topical application only containing not more than five percent (5%) strength.

(i) Thyroid and its contained or derived active compounds or mixtures thereof.

(j) Phenylhydantoin derivatives.

(k) Any drug which bears the legend: "Caution: federal law prohibits dispensing without prescription;" or, any device which bears the statement: "Caution: federal law restricts this device to sale by or on the order of a _____," the blank to be filled in with the designation of the practitioner licensed to use or order use of the device. However, this section, nor any other provision of law, shall not prohibit the sale of such devices to skilled nursing facilities or intermediate care facilities licensed pursuant to Chapter 2 (commencing with Section 1250) of Division 2 of the Health and Safety Code.

(*l*) Hypnotic drugs when combined and compounded with nonhypnotic drugs.

(m) Any narcotic antagonist drug which has been found by the

federal government to have currently accepted medical use in treatment in the United States and to have no potential for abuse or abuse liability.

SEC. 3. Section 4228 of the Business and Professions Code is amended to read:

4228. (a) Except as provided in subdivision (b) and (c) of this section, no person shall dispense any dangerous drug or device upon prescription except in a container correctly labeled with the information required by Sections 4047.5 and 4048.

(b) Physicians, dentists, podiatrists and veterinarians may personally furnish any dangerous drug or device prescribed by them to the patient for whom prescribed, provided that such drug is properly labeled to show all information required in Section 4047.5 and 4048 except the prescription number.

(c) Devices which bear the legend "Caution: federal law restricts this device to sale by or on the order of a _____," or words of similar meaning, are exempt from the requirements of Sections 4047.5 and 4048, and Section 26662 of the Health and Safety Code, when provided to patients in skilled nursing facilities or intermediate care facilities licensed pursuant to Chapter 2 (commencing with Section 1250) of Division 2 of the Health and Safety Code.

SEC. 4. Section 26662 of the Health and Safety Code is amended to read:

26662. Any drug or device sold by filling or refilling a written or oral prescription of a practitioner licensed to prescribe such drug or device shall be exempt from the labeling requirements of Sections 26631, 26632, 26634, 26635, 26636, 26637, 26638, 26639, 26640, 26642, 26646, and 26647, if the drug or device bears a label displaying all the following:

(a) Except where the prescriber orders otherwise, either the manufacturer's trade name of the drug, or the generic name and the name of the manufacturer. Commonly used abbreviations may be used. Preparations containing two or more active ingredients may be identified by the manufacturer's trade name or the commonly used name or the principal active ingredients.

(b) The directions for the use of the drug or device.

(c) The name of the patient.

(d) The name of the prescriber.

(e) The date of issue.

(f) The name, address and prescription number of the furnisher.

(g) The strength of the drug or drugs prescribed.

(h) The quantity of the drug or drugs prescribed.

(i) The expiration date of the effectiveness of the drug or device if such information is included on the original label of the manufacturer of the drug or device.

The exemption shall not apply to any drug or device dispensed in the course of the conduct of a business of dispensing drugs or devices pursuant to diagnosis by mail, or to a drug or device dispensed in violation of Section 26660.

CHAPTER 480

An act to amend Section 1179 of, to add Section 1177.5 to, and to repeal Section 976.7 of, the Unemployment Insurance Code, relating to unemployment insurance.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977]

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

SECTION 1. Section 976.7 of the Unemployment Insurance Code is repealed.

SEC. 2. Section 1177.5 is added to the Unemployment Insurance Code, to read:

1177.5. (a) If the director determines that an overpayment has been made to the department by an employing unit or the Classified School Employees Fund because of a reason specified in this subdivision, and the amount of the overpayment has been reimbursed to the state by the federal government pursuant to the Federal Comprehensive Employment and Training Act of 1973, then the director shall credit the employing unit or the Classified School Employees Fund with the amount of such overpayment, provided that the director determines that the overpayment was made because of one of the following:

(1) An employing unit paid unemployment insurance contributions after December 31, 1974, based on wages paid to individuals participating in a public service employment program under the federal Comprehensive Employment and Training Act of 1973.

(2) An employing unit paid amounts after December 31, 1975, pursuant to Section 803 of this part, for benefits awarded based on wages paid to individuals participating in a public service employment program under the federal Comprehensive Employment and Training Act of 1973.

(3) Payments were made by the Classified School Employees Fund after December 31, 1975, to the Unemployment Fund pursuant to Section 821 of this part for benefits awarded based on wages paid to individuals participating in a public service employment program under the federal Comprehensive Employment and Training Act of 1973.

(b) No overpayment described in subdivision (a) shall be refunded to an employing unit or to the Classified School Employees Fund.

SEC. 3. Section 1179 of the Unemployment Insurance Code is amended to read:

1179. Every claim for refund or credit shall be in writing and shall state the specific grounds upon which the claim is founded. Failure to file a claim with the director or after denial thereof by the director,

to file a petition for review with a referee or to file an appeal from an adverse referee's decision to the Appeals Board within the time prescribed by Sections 1178 and 1180 constitutes a waiver of any demand against the state or the director on account of overpayment.

CHAPTER 481

An act to add Section 8048 to, and to repeal Sections 8048, 8049, 8050, and 8051 of, the Fish and Game Code, to amend Sections 7220, 7221, 7222, 7223, 7224, 7225, 7226, 7227, and 27282 of the Government Code, to amend Sections 3744 and 3768 of, to add Sections 3772, 3772.2, 3772.4, 3772.6, and 3772.8 to, and to repeal Section 3772 of, the Public Resources Code, to amend Sections 6711, 6738, 6756, 6776, 7851, 7881, 8952, 8991, 8992, 8993, 8994, 9001, 16065, 16071, 16121, 18831, 18863, 18884.5, 18886, 18933, 26162.5, 26251, 26312, 30301, 30311, 30321, 30341, 32365, and 32381 of, to add Sections 6757, 7872, 8996, 16063, 16063.5, 18881, 26161, 30322, 32363, and 32386 to, and to repeal Sections 6757, 6757.5, 7871, 7872, 8996, 16061, 16062, 16063, 16064, 18881, 18882, 18882.5, 18883, 26161, 26161.5, 30322, and 32386 of, the Revenue and Taxation Code, to amend Sections 1702, 1704.5, 1755, 1785, 1815, 1816, and 1852 of, to add Section 1703 to, and to repeal Sections 1703 and 1703.5 of, the Unemployment Insurance Code, relating to liens.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 8048 of the Fish and Game Code is repealed.

SEC. 2. Section 8048 is added to the Fish and Game Code, to read:

8048. (a) If any person operating under a license issued pursuant to this article fails to pay any privilege tax imposed under this article at the time that it becomes due and payable, the amount thereof, including penalties and interest, together with any costs in addition thereto, shall thereupon be a perfected and enforceable state tax lien upon all property and rights to property whether real or personal, tangible or intangible, including all after-acquired property and rights to property, belonging to such person and located in the state. Such lien shall not continue for more than 10 years unless recorded or filed as provided in this section.

For the purpose of this section only, "due and payable" means the date a return is required to be filed, without regard to any extension of time, without payment of the amount due or the date a determination or assessment made under this article becomes final, whichever is applicable.

(b) With respect to real property or any rights therein, at any time after creation of the lien pursuant to subdivision (a), the department may record in the office of the county recorder of the county in which such real property is located a notice of state tax lien as specified in subdivision (d).

The lien created by subdivision (a) shall not be valid against the right, title or interest of:

(1) A successor in interest of the taxpayer without knowledge of the lien;

(2) A holder of a security interest;

(3) A mechanic's lienor; or

(4) A judgment lien creditor,

where such right, title or interest was acquired or perfected prior to recording of a notice of state tax lien as provided in this subdivision.

(c) With respect to personal property, whether tangible or intangible, at any time after creation of the lien pursuant to subdivision (a) the department may file a notice of state tax lien with the Secretary of State pursuant to Chapter 14.5 (commencing with Section 7220) of Division 7 of Title 1 of the Government Code.

The lien created by subdivision (a) shall not be valid as to personal property against:

(1) The holder of a security interest therein whose interest is perfected pursuant to Section 9303 of the Uniform Commercial Code prior to the time the notice of the state tax lien is filed as herein provided;

(2) Any person, other than a person liable for the tax, who acquires his interest in the property under the law of this state without knowledge of the lien or who perfects his interest in accordance with the law of this state prior to the time that the notice of state tax lien is filed with the Secretary of State;

(3) A buyer in the ordinary course of business, as defined in subdivision (9) of Section 1201 of the Uniform Commercial Code, who, under Section 9307 of such code, would take free of a security interest created by his seller;

(4) Any person, other than a person liable for the tax, who, notwithstanding the prior filing of the notice of state tax lien:

(A) Is a holder in due course of a negotiable instrument, as defined in Section 3302 of the Uniform Commercial Code;

(B) Is a holder to whom a negotiable document of title has been duly negotiated as provided in Section 7501 of the Uniform Commercial Code;

(C) Is a bona fide purchaser of a security, as defined in Section 8302 of the Uniform Commercial Code;

(D) Is a purchaser of chattel paper, as defined in Section 9105(1)(b) of the Uniform Commercial Code, or an instrument, as defined in Section 9105(1)(i) of such code, who gives new value and takes possession of it in the ordinary course of business;

(E) Is a holder of a purchase money security interest, as defined in Section 9107 of the Uniform Commercial Code;

(F) Is a collecting bank holding a security interest in items being collected, accompanying documents and proceeds, pursuant to Section 4208 of the Uniform Commercial Code;

(G) Acquires a security interest in a deposit account, as defined in Section 9105(1)(e) of the Uniform Commercial Code, or in the beneficial interest in a trust or estate;

(H) Acquires any right or interest in letters of credit, advices of credit or money;

(I) Acquires without actual knowledge of the state tax lien a security interest in or a claim in or under any policy of insurance including unearned premiums;

(J) Acquires any right or interest in property subject to a certificate of title statute of another jurisdiction under the law of which indication of a security interest on the certificate of title is required as a condition of perfection of such security interest.

(d) The notice of state tax lien recorded or filed pursuant to subdivision (b) or (c) shall include the name and last known address of the person liable for the tax, the amount of the tax, a statement that the tax shall be a lien upon all real or personal property and rights to such property, including all after-acquired property and rights to property belonging to such person, and a statement that the department has complied with all the provisions of this part in the computation and levy of the amount assessed.

(e) Any lien arising pursuant to this section shall continue for 10 years from the date of recording or filing of a notice of state tax lien pursuant to subdivision (b) or (c), unless sooner released or otherwise discharged. The lien may, within 10 years from the date of the recording or filing of the notice of state tax lien or within 10 years from the date of the last extension of the lien in the manner herein provided, be extended by recording or filing a new notice of state tax lien in the office of the county recorder of any county or with the Secretary of State as provided in subdivision (b) or (c), and from the time of such recording or filing the lien shall be extended for 10 years unless sooner released or otherwise discharged.

(f) Notwithstanding the provisions of Sections 688 and 688.1 of the Code of Civil Procedure, in the event the taxpayer is a party to an action or special proceeding in which the taxpayer may become entitled to property or a money judgment, a lien created pursuant to subdivision (a) shall extend to the taxpayer's cause of action and any judgment in favor of the taxpayer subsequently procured in such action or proceeding. Notice of such a lien shall be given to all parties who prior thereto have made an appearance in the action and to judgment creditors who prior thereto have been granted a lien or an order permitting intervention under Section 688.1 of the Code of Civil Procedure. Such lien shall have priority from the time of filing of the notice in the action. No compromise, dismissal, settlement, or satisfaction shall be entered into by or on behalf of the taxpayer with any other party, lienor, or intervenor in the action without the consent of the department unless the lien is sooner satisfied or

discharged. The judge or clerk of the court shall endorse upon the judgment recovered in such action or proceeding a statement of the existence of the lien, the time of the filing of the notice in the action, and the place where entered, and any abstract issued upon the judgment shall contain, in addition to the matters set forth in Sections 674 and 688.1 of the Code of Civil Procedure, a statement of the lien in favor of the department.

(g) Any lien, and any rights or causes of action under such lien, heretofore recorded in any county pursuant to former Section 8048, shall continue in full force and effect for a period of 10 years from the date of last recordation or extension thereof and may, within such period of 10 years, be further extended in the manner provided for in subdivision (e) of this section. Upon recordation of an extension, the lien shall have the same effect as a lien filed pursuant to this section. Such extended lien shall have the same priority as it originally had under the law in effect prior to January 1, 1978.

SEC. 3. Section 8049 of the Fish and Game Code is repealed.

SEC. 4. Section 8050 of the Fish and Game Code is repealed.

SEC. 5. Section 8051 of the Fish and Game Code is repealed.

SEC. 5.1. Section 7220 of the Government Code is amended to read:

7220. When specifically authorized by the provisions of particular tax laws, a notice of state tax lien may be filed in the office of the Secretary of State.

SEC. 5.2. Section 7221 of the Government Code is amended to read:

7221. The notice must (1) identify the person or persons liable for the payment, (2) identify the agency asserting the lien, and (3) state the fact that the agency has complied with all provisions of law for the determination of the amount required to be paid. The notice may, but need not, state the unpaid amount.

SEC. 5.3. Section 7222 of the Government Code is amended to read:

7222. The Secretary of State shall cause the notice to be marked, held and indexed in accordance with the provisions of subdivision (4) of Section 9403 of the Uniform Commercial Code as if the notice were a financing statement within the meaning of that code.

SEC. 5.4. Section 7223 of the Government Code is amended to read:

7223. If a certificate or notice of state tax lien has been filed and is still effective, a certificate of release, partial release, or subordination, may be filed in the office of the Secretary of State.

The Secretary of State shall:

(a) Cause a certificate of release to be marked, held and indexed the same as a termination statement within the meaning of the Uniform Commercial Code, and

(b) Cause a certificate of partial release or a certificate of subordination to be marked, held and indexed the same as a release of collateral within the meaning of the Uniform Commercial Code.

SEC. 5.5. Section 7224 of the Government Code is amended to read:

7224. (a) A filed certificate or notice of state tax lien is effective for a period of 10 years from the date of filing. The effectiveness of the filed certificate of state tax lien lapses on the expiration of such 10-year period unless a certificate of continuation is filed prior to such lapse.

(b) A certificate of continuation may be filed within six months prior to the end of the 10-year period. Upon timely filing of the certificate of continuation, the effectiveness of the original certificate of state tax lien is continued for 10 years from the time when it would otherwise have lapsed, whereupon it lapses in the same manner as provided in subdivision (a) unless another certificate of continuation is filed prior to such lapse. Succeeding certificates of continuation may be filed in the same manner to continue the effectiveness of the original certificate of state tax lien.

SEC. 5.6. Section 7225 of the Government Code is amended to read:

7225. Unless the Secretary of State has notice of an action pending relative thereto, he may remove from the files and destroy the certificate or notice of state tax lien one year after the lapse of the certificate or notice or one year after the filing of a certificate of release, whichever is earlier. A certificate of release, partial release, subordination or continuation may be removed from the files and destroyed at the same time that the certificate or notice of state tax lien to which it relates is removed from the files and destroyed.

SEC. 5.7. Section 7226 of the Government Code is amended to read:

7226. Upon request of any person, the Secretary of State shall issue his certificate showing whether there is on file, on the date and hour stated therein, any certificate or notice of state tax lien naming a particular person, and if a certificate or notice is on file, giving the date and hour of filing of each certificate or notice. The fee for the certificate issued by the Secretary of State is two dollars ($2). Upon request, the Secretary of State shall furnish a copy of any certificate or notice filed pursuant to this chapter for a fee of one dollar ($1) per page. A combined certificate may be issued pursuant to Section 7203.

SEC. 5.8. Section 7227 of the Government Code is amended to read:

7227. There is no fee for filing a notice of state tax lien, certificate of partial release, certificate of subordination or certificate of continuation. The fee for filing a certificate of release is two dollars ($2).

SEC. 5.9. Section 27282 of the Government Code is amended to read:

27282. (a) The following documents may be recorded without acknowledgment, certificate of acknowledgment, or further proof:

(1) A judgment affecting the title to or possession of real property, authenticated by the certificate of the clerk of the court in which the

judgment was rendered.

(2) A notice of location of mining claim.

(3) Certificates of amounts of taxes, interest and penalties due, notices of state tax lien, and extensions thereof executed by the state, county, or city taxing agencies or officials pursuant to Sections 2191.3, 2191.4, 6757, 7872, 8996, 10099, 11495, 16063, 16064, 18881 through 18883, inclusive, 26161, and 30322 of the Revenue and Taxation Code, and Section 1703 of the Unemployment Insurance Code, and releases or subordinations executed pursuant to Sections 2191.4, 6758, 6759, 7873, 8997, 10100, 11496, 14307, 14308, 16066, 16067, 18884, 18885, 26162, 30323 and 30324 of the Revenue and Taxation Code, and Sections 1704 and 1705 of the Unemployment Insurance Code.

(b) Any document described in this section, from the time it is filed with the recorder for record, is constructive notice of the contents thereof to subsequent purchasers and mortgagees.

SEC. 6. Section 3744 of the Public Resources Code is amended to read:

3744. Within 30 days after service of an order, pursuant to Section 3743, or if there has been an appeal from the order to the board, within 30 days after service of the decision of the board, or if a review has been taken of the order of the board, within 10 days after affirmance of the order, the owner shall commence in good faith the work ordered and continue it until completion. If the work has not been commenced and continued to completion, the supervisor shall appoint necessary agents who shall enter the premises and perform the work. An accurate account of the expenditures shall be kept, and the amounts shall be paid from the Petroleum and Gas Fund upon the warrant of the State Controller. Any amount so expended shall constitute a lien against the real or personal property upon which the work is done pursuant to the provisions of Section 3772.

SEC. 7. Section 3768 of the Public Resources Code is amended to read:

3768. If a review is not taken within 10 days, or if taken, in case the decision of the board is affirmed, any charge, including penalty and interest thereon, imposed by the board shall constitute a lien which, upon recordation or filing pursuant to subdivision (c) or (d) of Section 3772, attaches to real or personal property. The lien upon the property shall be enforced in the same manner as are other liens on real property and personal property of the debtor. Upon the request of the supervisor, the State Controller shall bring an action for the enforcement of the lien in the manner provided in this chapter.

SEC. 8. Section 3772 of the Public Resources Code is repealed.

SEC. 9. Section 3772 is added to the Public Resources Code, to read:

3772. (a) If any person fails to pay any charge or penalty imposed under this chapter at the time that it becomes due and payable, the amount thereof, including penalties and interest, together with any costs in addition thereto, shall thereupon be a perfected and

enforceable state tax lien upon all property and rights to property whether real or personal, tangible or intangible, including all after-acquired property and rights to property, belonging to such person and located in the state. Such lien shall not continue for more than 10 years unless recorded or filed as provided in this section.

For the purpose of this section only, "due and payable" means the date a return is required to be filed, without regard to any extension of time, without payment of the amount due or the date a determination or assessment made under this chapter becomes final, whichever is applicable.

(b) With respect to real property or any rights therein, at any time after creation of the lien pursuant to subdivision (a), the Controller may record in the office of the county recorder of the county in which such real property is located a notice of state tax lien as specified in subdivision (d).

The lien created by subdivision (a) shall not be valid against the right, title or interest of:

(1) A successor in interest of the taxpayer without knowledge of the lien;

(2) A holder of a security interest;

(3) A mechanic's lienor; or

(4) A judgment lien creditor,

where such right, title or interest was acquired or perfected prior to recording of a notice of state tax lien as provided in this subdivision.

(c) With respect to personal property, whether tangible or intangible, at any time after creation of the lien pursuant to subdivision (a) the Controller may file a notice of state tax lien with the Secretary of State pursuant to Chapter 14.5 (commencing with Section 7220) of Division 7 of Title 1 of the Government Code.

The lien created by subdivision (a) shall not be valid as to personal property against:

(1) The holder of a security interest therein whose interest is perfected pursuant to Section 9303 of the Uniform Commercial Code prior to the time the notice of the state tax lien is filed as herein provided;

(2) Any person, other than a person liable for the tax, who acquires his interest in the property under the law of this state without knowledge of the lien or who perfects his interest in accordance with the law of this state prior to the time that the notice of state tax lien is filed with the Secretary of State;

(3) A buyer in the ordinary course of business, as defined in subdivision (9) of Section 1201 of the Uniform Commercial Code, who, under Section 9307 of such code, would take free of a security interest created by his seller;

(4) Any person, other than a person liable for the tax, who, notwithstanding the prior filing of the notice of state tax lien:

(A) Is holder in due course of a negotiable instrument, as defined in Section 3302 of the Uniform Commercial Code;

(B) Is a holder to whom a negotiable document of title has been

duly negotiated as provided in Section 7501 of the Uniform Commercial Code;

(C) Is a bona fide purchaser of a security, as defined in Section 8302 of the Uniform Commercial Code;

(D) Is a purchaser of chattel paper, as defined in Section 9105(1)(b) of the Uniform Commercial Code, or an instrument, as defined in Section 9105(1)(i) of such code, who gives new value and takes possession of it in the ordinary course of business;

(E) Is a holder of a purchase money security interest, as defined in Section 9107 of the Uniform Commercial Code;

(F) Is a collecting bank holding a security interest in items being collected, accompanying documents and proceeds, pursuant to Section 4208 of the Uniform Commercial Code;

(G) Acquires a security interest in a deposit account, as defined in Section 9105(1)(e) of the Uniform Commercial Code, or in the beneficial interest in a trust or estate;

(H) Acquires any right or interest in letters of credit, advices of credit or money;

(I) Acquires without actual knowledge of the state tax lien a security interest in or a claim in or under any policy of insurance including unearned premiums;

(J) Acquires any right or interest in property subject to a certificate of title statute of another jurisdiction under the law of which indication of a security interest on the certificate of title is required as a condition of perfection of such security interest.

(d) The notice of state tax lien recorded or filed pursuant to subdivision (b) or (c) shall include the name and last known address of the person liable for the tax, the amount of the tax, a statement that the tax shall be a lien upon all real or personal property and rights to such property, including all after-acquired property and rights to property belonging to such person, and a statement that the Controller has complied with all the provisions of this part in the computation and levy of the amount assessed.

(e) Any lien arising pursuant to this section shall continue for 10 years from the date of recording or filing of a notice of state tax lien pursuant to subdivision (b) or (c), unless sooner released or otherwise discharged. The lien may, within 10 years from the date of the recording or filing of the notice of state tax lien or within 10 years from the date of the last extension of the lien in the manner herein provided, be extended by recording or filing a new notice of state tax lien in the office of the county recorder of any county or with the Secretary of State as provided in subdivision (b) or (c), and from the time of such recording or filing the lien shall be extended for 10 years unless sooner released or otherwise discharged.

(f) Notwithstanding the provisions of Sections 688 and 688.1 of the Code of Civil Procedure, in the event the taxpayer is a party to an action or special proceeding in which the taxpayer may become entitled to property or a money judgment, a lien created pursuant to subdivision (a) shall extend to the taxpayer's cause of action and

any judgment in favor of the taxpayer subsequently procured in such action or proceeding. Notice of such a lien shall be given to all parties who prior thereto have made an appearance in the action and to judgment creditors who prior thereto have been granted a lien or an order permitting intervention under Section 688.1 of the Code of Civil Procedure. Such lien shall have priority from the time of filing of the notice in the action. No compromise, dismissal, settlement, or satisfaction shall be entered into by or on behalf of the taxpayer with any other party, lienor or intervenor in the action without the consent of the Controller unless the lien is sooner satisfied or discharged. The judge or clerk of the court shall endorse upon the judgment recovered in such action or proceeding a statement of the existence of the lien, the time of the filing of the notice in the action and the place where entered, and any abstract issued upon the judgment shall contain, in addition to the matters set forth in Sections 674 and 688.1 of the Code of Civil Procedure, a statement of the lien in favor of the Controller.

(g) Any lien, and any rights or causes of action under such lien, heretofore recorded in any county pursuant to former Section 3772, shall continue in full force and effect for a period of 10 years from the date of last recordation or extension thereof and may, within said period of 10 years, be further extended in the manner provided for in subdivision (e) of this section. Upon recordation of an extension, the lien shall have the same effect as a lien filed pursuant to this section. Such extended lien shall have the same priority as it originally had under the law in effect prior to January 1, 1978.

SEC. 10. Section 3772.2 is added to the Public Resources Code, to read:

3772.2. A warrant may be issued by the State Controller or his duly authorized representative for the collection of any charges, interests and penalty and for the enforcement of any such lien directed to the sheriff or constable and shall have the same effect as a writ of execution. It may and shall be levied and sale made pursuant to it in the same manner and with the same effect as a levy of and a sale pursuant to a writ of execution.

SEC. 11. Section 3772.4 is added to the Public Resources Code, to read:

3772.4. The sheriff or constable shall receive, upon the completion of his services pursuant to a warrant, and the Controller is authorized to pay to him the same fees and commissions and expenses in connection with services pursuant to said warrant as are provided by law for similar services pursuant to a writ of execution; provided, that fees for publication in a newspaper shall be subject to approval by the Controller rather than by the court; such fees, commissions and expenses shall be an obligation of the person or persons liable for the payment of such charges and may be collected from such person or persons by virtue of the warrant or in any other manner provided in this chapter for the collection of such charges.

SEC. 12. Section 3772.6 is added to the Public Resources Code, to

read:

3772.6. In the event that the lien of the charges, penalties or interest attaches to real property from which geothermal energy is extracted and more than one parcel of property is included within the lien, the Controller may release by certificate pursuant to Section 3772.8 from the lien of such charges, interest, and penalties and costs, upon payment by the owner of any parcel or parcels of property of his proportionate share of the charges.

SEC. 13. Section 3772.8 is added to the Public Resources Code, to read:

3772.8. The Controller may at any time release all or any portion of the property subject to the lien from the lien or subordinate the lien to other liens if he determines that the charges are sufficiently secured by a lien on other property of the taxpayer or that the release or subordination of the lien will not endanger or jeopardize the collection of such charges. A certificate by the Controller to the effect that any property has been released from the lien herein provided for or that such lien has been subordinated to other liens shall be conclusive evidence that the property has been released or that the lien has been subordinated as provided in the certificate.

SEC. 14. Section 6711 of the Revenue and Taxation Code is amended to read:

6711. At any time within three years after any tax or any amount of tax required to be collected becomes due and payable and at any time within three years after the delinquency of any tax or any amount of tax required to be collected, or within the period during which a lien is in force as the result of the recording of an abstract under Section 6738 or the recording or filing of a notice of state tax lien under Section 6757, the board may bring an action in the courts of this state, of any other state, or of the United States in the name of the people of the State of California to collect the amount delinquent together with penalties and interest.

SEC. 15. Section 6738 of the Revenue and Taxation Code is amended to read:

6738. An abstract of the judgment or a copy of such judgment may be filed for record with the county recorder of any county. From the time of the filing the amount required to be paid together with interest and penalty set forth constitutes a lien upon all the real property in the county owned by the person liable or afterward and before the lien expires acquired by him. The lien has the force, effect, and priority of a judgment lien and shall continue for 10 years from the date of the judgment so entered by the county clerk unless sooner released or otherwise discharged. The lien may within 10 years from the date of the judgment or within 10 years from the date of the last extension of the lien in the manner herein provided, be extended by filing for record in the office of the county recorder of any county an abstract or copy of the judgment and from the time of such filing the lien shall be extended to the property in such county for 10 years unless sooner released or otherwise discharged.

SEC. 16. Section 6756 of the Revenue and Taxation Code is amended to read:

6756. The amounts required to be paid by any person under this part together with interest and penalties shall be satisfied first in any of the following cases:

(a) Whenever the person is insolvent.

(b) Whenever the person makes a voluntary assignment of his assets.

(c) Whenever the estate of the person in the hands of executors, administrators, or heirs is insufficient to pay all the debts due from the deceased.

(d) Whenever the estate and effects of an absconding, concealed, or absent person required to pay any amount under this part are levied upon by process of law.

This section does not give the state a preference over any lien or security interest which was recorded or perfected prior to the time when the state records or files its lien pursuant to subdivision (b) or (c) of Section 6757.

The preference given to the state by this section shall be subordinate to the preferences given to claims for personal services by Sections 1204 and 1206 of the Code of Civil Procedure.

SEC. 17. Section 6757 of the Revenue and Taxation Code is repealed.

SEC. 18. Section 6757 is added to the Revenue and Taxation Code, to read:

6757. (a) If any person fails to pay any amount imposed under this part at the time that it becomes due and payable, the amount thereof, including penalties and interest, together with any costs in addition thereto, shall thereupon be a perfected and enforceable state tax lien upon all property and rights to property whether real or personal, tangible or intangible, including all after-acquired property and rights to property, belonging to such person and located in the state. Such lien shall not continue for more than 10 years unless recorded or filed as provided in this section.

For the purpose of this section only, "due and payable" means the date a return is required to be filed, without regard to any extension of time, without payment of the amount due, or the date a determination or assessment made under this part becomes final, whichever is applicable.

(b) With respect to real property or any rights therein, at any time after creation of the lien pursuant to subdivision (a), the board may record in the office of the county recorder of the county in which such real property is located a notice of state tax lien as specified in subdivision (d).

The lien created by subdivision (a) shall not be valid against the right, title or interest of:

(1) A successor in interest of the taxpayer without knowledge of the lien;

(2) A holder of a security interest;

(3) A mechanic's lienor; or

(4) A judgment lien creditor;

where such right, title or interest was acquired or perfected prior to recording of a notice of state tax lien as provided in this subdivision.

(c) With respect to personal property, whether tangible or intangible, at any time after creation of the lien pursuant to subdivision (a) the board may file a notice of state tax lien with the Secretary of State pursuant to Chapter 14.5 (commencing with Section 7220) of Division 7 of Title 1 of the Government Code.

The lien created by subdivision (a) shall not be valid as to personal property against:

(1) The holder of a security interest therein whose interest is perfected pursuant to Section 9303 of the Uniform Commercial Code prior to the time the notice of the state tax lien is filed as herein provided;

(2) Any person, other than a person liable for the tax, who acquires his interest in the property under the law of this state without knowledge of the lien or who perfects his interest in accordance with the law of this state prior to the time that the notice of state tax lien is filed with the Secretary of State;

(3) A buyer in the ordinary course of business, as defined in subdivision (9) of Section 1201 of the Uniform Commercial Code, who, under Section 9307 of such code, would take free of a security interest created by his seller;

(4) Any person, other than a person liable for the tax, who, notwithstanding the prior filing of the notice of state tax lien:

(A) Is a holder in due course of a negotiable instrument, as defined in Section 3302 of the Uniform Commercial Code;

(B) Is a holder to whom a negotiable document of title has been duly negotiated as provided in Section 7501 of the Uniform Commercial Code;

(C) Is a bona fide purchaser of a security, as defined in Section 8302 of the Uniform Commercial Code;

(D) Is a purchaser of chattel paper, as defined in Section 9105(1)(b) of the Uniform Commercial Code, or an instrument, as defined in Section 9105(1)(i) of such code, who gives new value and takes possession of it in the ordinary course of business;

(E) Is a holder of a purchase money security interest, as defined in Section 9107 of the Uniform Commercial Code;

(F) Is a collecting bank holding a security interest in items being collected, accompanying documents and proceeds, pursuant to Section 4208 of the Uniform Commercial Code;

(G) Acquires a security interest in a deposit account, as defined in Section 9105(1)(e) of the Uniform Commercial Code, or in the beneficial interest in a trust or estate;

(H) Acquires any right or interest in letters of credit, advices of credit or money;

(I) Acquires without actual knowledge of the state tax lien a security interest in or a claim in or under any policy of insurance

including unearned premiums;

(J) Acquires any right or interest in property subject to a certificate of title statute of another jurisdiction under the law of which indication of a security interest on the certificate of title is required as a condition of perfection of such security interest.

(d) The notice of state tax lien recorded or filed pursuant to subdivision (b) or (c) shall include the name and last known address of the person liable for the tax, the amount of the tax, a statement that the tax shall be a lien upon all real or personal property and rights to such property, including all after-acquired property and rights to property belonging to such person, and a statement that the board has complied with all the provisions of this part in the computation and levy of the amount assessed.

(e) Any lien arising pursuant to this section shall continue for 10 years from the date of recording or filing of a notice of state tax lien pursuant to subdivision (b) or (c), unless sooner released or otherwise discharged. The lien may, within 10 years from the date of the recording or filing of the notice of state tax lien or within 10 years from the date of the last extension of the lien in the manner herein provided, be extended by recording or filing a new notice of state tax lien in the office of the county recorder of any county or with the Secretary of State as provided in subdivision (b) or (c), and from the time of such recording or filing the lien shall be extended for 10 years unless sooner released or otherwise discharged.

(f) Notwithstanding the provisions of Sections 688 and 688.1 of the Code of Civil Procedure, in the event the taxpayer is a party to an action or special proceeding in which the taxpayer may become entitled to property or a money judgment, a lien created pursuant to subdivision (a) shall extend to the taxpayer's cause of action and any judgment in favor of the taxpayer subsequently procured in such action or proceeding. Notice of such a lien shall be given to all parties who prior thereto have made an appearance in the action and to judgment creditors who prior thereto have been granted a lien or an order permitting intervention under Section 688.1 of the Code of Civil Procedure. Such lien shall have priority from the time of filing of the notice in the action. No compromise, dismissal, settlement, or satisfaction shall be entered into by or on behalf of the taxpayer with any other party, lienor or intervenor in the action without the consent of the board unless the lien is sooner satisfied or discharged. The judge or clerk of the court shall endorse upon the judgment recovered in such action or proceeding a statement of the existence of the lien, the time of the filing of the notice in the action, and the place where entered, and any abstract issued upon the judgment shall contain, in addition to the matters set forth in Sections 674 and 688.1 of the Code of Civil Procedure, a statement of the lien in favor of the board.

(g) Any lien, and any rights or causes of action under such lien, heretofore recorded in any county pursuant to former Section 6757 or filed with the Secretary of State pursuant to former Section 6757.5,

shall continue in full force and effect for a period of 10 years from the date of last recordation or filing or extension thereof and may, within such period of 10 years, be further extended in the manner provided for in subdivision (e) of this section. Upon recordation or filing of an extension, the lien shall have the same effect as a lien filed pursuant to this section. Such extended lien shall have the same priority as it originally had under the law in effect prior to January 1, 1978.

SEC. 19. Section 6757.5 of the Revenue and Taxation Code is repealed.

SEC. 20. Section 6776 of the Revenue and Taxation Code is amended to read:

6776. At any time within three years after any person is delinquent in the payment of any amount herein required to be paid, or within 10 years after the last recording of an abstract under Section 6738 or the recording or filing of a notice of state tax lien under Section 6757, the board or its authorized representative may issue a warrant for the enforcement of any liens and for the collection of any amount required to be paid to the state under this part. The warrant shall be directed to any sheriff, marshal or constable and shall have the same effect as a writ of execution. The warrant shall be levied and sale made pursuant to it in the same manner and with the same effect as a levy of and a sale pursuant to a writ of execution.

SEC. 21. Section 7851 of the Revenue and Taxation Code is amended to read:

7851. If any distributor is delinquent in the payment of his license tax, or in the event a determination has been made against him which remains unpaid, the Controller may, not later than 10 years after the payment became delinquent, or within 10 years after the last recording or filing of a notice of state tax lien under Section 7872, give notice thereof personally or by registered mail to all persons, including any officer or department of the state or any political subdivision or agency of the state, having in their possession or under their control any credits or other personal property belonging to the distributor, or owing any debts to the distributor. In the case of any state officer, department or agency, the notice shall be given to such officer, department or agency prior to the time it presents the claim of the delinquent taxpayer to the State Controller.

SEC. 22. Section 7871 of the Revenue and Taxation Code is repealed.

SEC. 23. Section 7872 of the Revenue and Taxation Code is repealed.

SEC. 24. Section 7872 is added to the Revenue and Taxation Code, to read:

7872. (a) If any person fails to pay any amount imposed under this part at the time that it becomes due and payable, the amount thereof, including penalties and interest, together with any costs in addition thereto, shall thereupon be a perfected and enforceable state tax lien upon all property and rights to property whether real

or personal, tangible or intangible, including all after-acquired property and rights to property, belonging to such person and located in the state. Such lien shall not continue for more than 10 years unless recorded or filed as provided in this section.

For the purpose of this section only, "due and payable" means the date a return is required to be filed, without regard to any extension of time, without payment of the amount due, or the date a determination or assessment made under this part becomes final, whichever is applicable.

(b) With respect to real property or any rights therein, at any time after creation of the lien pursuant to subdivision (a), the board may record in the office of the county recorder of the county in which such real property is located a notice of state tax lien as specified in subdivision (d).

The lien created by subdivision (a) shall not be valid against the right, title or interest of:

(1) A successor in interest of the taxpayer without knowledge of the lien;

(2) A holder of a security interest;

(3) A mechanic's lienor; or

(4) A judgment lien creditor,

where such right, title or interest was acquired or perfected prior to recording of a notice of state tax lien as provided in this subdivision.

(c) With respect to personal property, whether tangible or intangible, at any time after creation of the lien pursuant to subdivision (a) the board may file a notice of state tax lien with the Secretary of State pursuant to Chapter 14.5 (commencing with Section 7220) of Division 7 of Title 1 of the Government Code.

The lien created by subdivision (a) shall not be valid as to personal property against:

(1) The holder of a security interest therein whose interest is perfected pursuant to Section 9303 of the Uniform Commercial Code prior to the time the notice of the state tax lien is filed as herein provided;

(2) Any person, other than a person liable for the tax, who acquires his interest in the property under the law of this state without knowledge of the lien or who perfects his interest in accordance with the law of this state prior to the time that the notice of state tax lien is filed with the Secretary of State;

(3) A buyer in the ordinary course of business, as defined in subdivision (9) of Section 1201 of the Uniform Commercial Code, who, under Section 9307 of such code, would take free of a security interest created by his seller;

(4) Any person, other than a person liable for the tax, who, notwithstanding the prior filing of the notice of state tax lien:

(A) Is a holder in due course of a negotiable instrument, as defined in Section 3302 of the Uniform Commercial Code;

(B) Is a holder to whom a negotiable document of title has been duly negotiated as provided in Section 7501 of the Uniform

Commercial Code;

(C) Is a bona fide purchaser of a security, as defined in Section 8302 of the Uniform Commercial Code;

(D) Is a purchaser of chattel paper, as defined in Section 9105(1)(b) of the Uniform Commercial Code, or an instrument, as defined in Section 9105(1)(i) of such code, who gives new value and takes possession of it in the ordinary course of business;

(E) Is a holder of a purchase money security interest, as defined in Section 9107 of the Uniform Commercial Code;

(F) Is a collecting bank holding a security interest in items being collected, accompanying documents and proceeds, pursuant to Section 4208 of the Uniform Commercial Code;

(G) Acquires a security interest in a deposit account, as defined in Section 9105(1)(e) of the Uniform Commercial Code, or in the beneficial interest in a trust or estate;

(H) Acquires any right or interest in letters of credit, advices of credit or money;

(I) Acquires without actual knowledge of the state tax lien a security interest in or a claim in or under any policy of insurance including unearned premiums;

(J) Acquires any right or interest in property subject to a certificate of title statute of another jurisdiction under the law of which indication of a security interest on the certificate of title is required as a condition of perfection of such security interest.

(d) The notice of state tax lien recorded or filed pursuant to subdivision (b) or (c) shall include the name and last known address of the person liable for the tax, the amount of the tax, a statement that the tax shall be a lien upon all real or personal property and rights to such property, including all after-acquired property and rights to property belonging to such person, and a statement that the board has complied with all the provisions of this part in the computation and levy of the amount assessed.

(e) Any lien arising pursuant to this section shall continue for 10 years from the date of recording or filing of a notice of state tax lien pursuant to subdivision (b) or (c), unless sooner released or otherwise discharged. The lien may, within 10 years from the date of the recording or filing of the notice of state tax lien or within 10 years from the date of the last extension of the lien in the manner herein provided, be extended by recording or filing a new notice of state tax lien in the office of the county recorder of any county or with the Secretary of State as provided in subdivision (b) or (c), and from the time of such recording or filing the lien shall be extended for 10 years unless sooner released or otherwise discharged.

(f) Notwithstanding the provisions of Sections 688 and 688.1 of the Code of Civil Procedure, in the event the taxpayer is a party to an action or special proceeding in which the taxpayer may become entitled to property or a money judgment, a lien created pursuant to subdivision (a) shall extend to the taxpayer's cause of action and any judgment in favor of the taxpayer subsequently procured in such

action or proceeding. Notice of such a lien shall be given to all parties who prior thereto have made an appearance in the action and to judgment creditors who prior thereto have been granted a lien or an order permitting intervention under Section 688.1, of the Code of Civil Procedure. Such lien shall have priority from the time of filing of the notice in the action. No compromise, dismissal, settlement, or satisfaction shall be entered into by or on behalf of the taxpayer with any other party, lienor or intervenor in the action without the consent of the board unless the lien is sooner satisfied or discharged. The judge or clerk of the court shall endorse upon the judgment recovered in such action or proceeding a statement of the existence of the lien, the time of the filing of the notice in the action, and the place where entered, and any abstract issued upon the judgment shall contain, in addition to the matters set forth in Sections 674 and 688.1 of the Code of Civil Procedure, a statement of the lien in favor of the board.

(g) Any lien, and any rights or causes of action under such lien, heretofore recorded in any county pursuant to former Section 7872 or arising pursuant to former Section 7871, shall continue in full force and effect for a period of 10 years from the date of last recordation or filing or extension thereof and may, within such period of 10 years, be further extended in the manner provided for in subdivision (e) of this section. Upon recordation or filing of an extension, the lien shall have the same effect as a lien filed pursuant to this section. Such extended lien shall have the same priority as it originally had under the law in effect prior to January 1, 1978.

SEC. 25. Section 7881 of the Revenue and Taxation Code is amended to read:

7881. At any time within three years after any person is delinquent in the payment of any amount herein required to be paid or within 10 years after the last recording or filing of a notice of state tax lien under Section 7872 the Controller or his authorized representative may issue a warrant for the enforcement of any liens and for the collection of any amount required to be paid to the state under this part.

SEC. 26. Section 8952 of the Revenue and Taxation Code is amended to read:

8952. If any user is delinquent in the payment of any obligation imposed under this part, or in the event a determination has been made against such a user which remains unpaid, the board may, not later than three years after the payment becomes delinquent, or within 10 years after the last recording or filing of a notice of state tax lien under Section 8996, give notice thereof, personally or by registered mail to all persons, including any officer or department of the state or any political subdivision or agency of the state, having in their possession or under their control any credits or other personal property belonging to the user, or owing any debts to the user. In the case of any state officer, department or agency, the notice shall be given to such officer, department or agency prior to the time it

presents the claim of the delinquent taxpayer to the State Controller.

SEC. 27. Section 8991 of the Revenue and Taxation Code is amended to read:

8991. Notwithstanding the provisions of Section 8996, the excise tax, interest, and penalties are a lien upon and have the effect of an execution duly levied against any motor vehicle in which fuel taxable under this part is used and against any personal property of the user.

SEC. 28. Section 8992 of the Revenue and Taxation Code is amended to read:

8992. The lien arising under Section 8991 attaches at the time a vehicle is operated in this state through the use of fuel taxable under this part.

SEC. 29. Section 8993 of the Revenue and Taxation Code is amended to read:

8993. The lien arising under Section 8991 shall not be removed until the excise tax, interest, and penalties are paid or the vehicle or other property subject to the lien is sold in payment thereof.

SEC. 30. Section 8994 of the Revenue and Taxation Code is amended to read:

8994. The lien arising under Section 8991 as to the tax and interest, but exclusive of penalties, upon personal property is paramount to all private liens or encumbrances of whatever character, and to the rights of any conditional vendor or any other holder of the legal title, in or to any motor vehicle which is operated in this state through the use of fuel taxable under this part.

SEC. 31. Section 8996 of the Revenue and Taxation Code is repealed.

SEC. 32. Section 8996 is added to the Revenue and Taxation Code, to read:

8996. (a) If any person fails to pay any amount imposed under this part at the time that it becomes due and payable, the amount thereof, including penalties and interest, together with any costs in addition thereto, shall thereupon be a perfected and enforceable state tax lien upon all property and rights to property whether real or personal, tangible or intangible, including all after-acquired property and rights to property, belonging to such person and located in the state. Such lien shall not continue for more than 10 years unless recorded or filed as provided in this section.

For the purpose of this section only, "due and payable" means the date a return is required to be filed, without regard to any extension of time, without payment of the amount due, or the date a determination or assessment made under this part becomes final, whichever is applicable.

(b) With respect to real property or any rights therein, at any time after creation of the lien pursuant to subdivision (a), the board may record in the office of the county recorder of the county in which such real property is located a notice of state tax lien as specified in subdivision (d).

The lien created by subdivision (a) shall not be valid against the

right, title or interest of:

(1) A successor in interest of the taxpayer without knowledge of the lien;

(2) A holder of a security interest;

(3) A mechanic's lienor; or

(4) A judgment lien creditor,

where such right, title or interest was acquired or perfected prior to recording of a notice of state tax lien as provided in this subdivision.

(c) With respect to personal property, whether tangible or intangible, at any time after creation of the lien pursuant to subdivision (a) the board may file a notice of state tax lien with the Secretary of State pursuant to Chapter 14.5 (commencing with Section 7220) of Division 7 of Title 1 of the Government Code.

The lien created by subdivision (a) shall not be valid as to personal property against:

(1) The holder of a security interest therein whose interest is perfected pursuant to Section 9303 of the Uniform Commercial Code prior to the time the notice of the state tax lien is filed as herein provided;

(2) Any person, other than a person liable for the tax, who acquires his interest in the property under the law of this state without knowledge of the lien or who perfects his interest in accordance with the law of this state prior to the time that the notice of state tax lien is filed with the Secretary of State;

(3) A buyer in the ordinary course of business, as defined in subdivision (9) of Section 1201 of the Uniform Commercial Code, who, under Section 9307 of such code, would take free of a security interest created by his seller;

(4) Any person, other than a person liable for the tax, who, notwithstanding the prior filing of the notice of state tax lien:

(A) Is a holder in due course of a negotiable instrument, as defined in Section 3302 of the Uniform Commercial Code;

(B) Is a holder to whom a negotiable document of title has been duly negotiated as provided in Section 7501 of the Uniform Commercial Code;

(C) Is a bona fide purchaser of a security, as defined in Section 8302 of the Uniform Commercial Code;

(D) Is a purchaser of chattel paper, as defined in Section 9105(1)(b) of the Uniform Commercial Code, or an instrument, as defined in Section 9105(1)(i) of such code, who gives new value and takes possession of it in the ordinary course of business;

(E) Is a holder of a purchase money security interest, as defined in Section 9107 of the Uniform Commercial Code;

(F) Is a collecting bank holding a security interest in items being collected, accompanying documents and proceeds, pursuant to Section 4208 of the Uniform Commercial Code;

(G) Acquires a security interest in a deposit account, as defined in Section 9105(1)(e) of the Uniform Commercial Code, or in the beneficial interest in a trust or estate;

(H) Acquires any right or interest in letters of credit, advices of credit or money;

(I) Acquires without actual knowledge of the state tax lien a security interest in or a claim in or under any policy of insurance including unearned premiums;

(J) Acquires any right or interest in property subject to a certificate of title statute of another jurisdiction under the law of which indication of a security interest on the certificate of title is required as a condition of perfection of such security interest.

(d) The notice of state tax lien recorded or filed pursuant to subdivision (b) or (c) shall include the name and last known address of the person liable for the tax, the amount of the tax, a statement that the tax shall be a lien upon all real or personal property and rights to such property, including all after-acquired property and rights to property belonging to such person, and a statement that the board has complied with all the provisions of this part in the computation and levy of the amount assessed.

(e) Any lien arising pursuant to this section shall continue for 10 years from the date of recording or filing of a notice of state tax lien pursuant to subdivision (b) or (c), unless sooner released or otherwise discharged. The lien may, within 10 years from the date of the recording or filing of the notice of state tax lien or within 10 years from the date of the last extension of the lien in the manner herein provided, be extended by recording or filing a new notice of state tax lien in the office of the county recorder of any county or with the Secretary of State as provided in subdivision (b) or (c), and from the time of such recording or filing the lien shall be extended for 10 years unless sooner released or otherwise discharged.

(f) Notwithstanding the provisions of Sections 688 and 688.1 of the Code of Civil Procedure, in the event the taxpayer is a party to an action or special proceeding in which the taxpayer may become entitled to property or a money judgment, a lien created pursuant to subdivision (a) shall extend to the taxpayer's cause of action and any judgment in favor of the taxpayer subsequently procured in such action or proceeding. Notice of such a lien shall be given to all parties who prior thereto have made an appearance in the action and to judgment creditors who prior thereto have been granted a lien or an order permitting intervention under Section 688.1, of the Code of Civil Procedure. Such lien shall have priority from the time of filing of the notice in the action. No compromise, dismissal, settlement, or satisfaction shall be entered into by or on behalf of the taxpayer with any other party, lienor or intervenor in the action without the consent of the board unless the lien is sooner satisfied or discharged. The judge or clerk of the court shall endorse upon the judgment recovered in such action or proceeding a statement of the existence of the lien, the time of the filing of the notice in the action, and the place where entered, and any abstract issued upon the judgment shall contain, in addition to the matters set forth in Sections 674 and 688.1 of the Code of Civil Procedure, a statement of the lien in favor

of the board.

(g) Any lien, and any rights or causes of action under such lien, theretofore recorded in any county pursuant to former Section 8996 or arising pursuant to former Section 8991, shall continue in full force and effect for a period of 10 years from the date of last recordation or filing or extension thereof and may, within such period of 10 years, be further extended in the manner provided for in subdivision (e) of this section. Upon recordation or filing of an extension, the lien shall have the same effect as a lien filed pursuant to this section. Such extended lien shall have the same priority as it originally had under the law in effect prior to January 1, 1978.

SEC. 33. Section 9001 of the Revenue and Taxation Code is amended to read:

9001. At any time within three years after any person is delinquent in the payment of any amount herein required to be paid or within 10 years after the last recording or filing of a notice of state tax lien under Section 8996 the board or its authorized representative may issue a warrant for the enforcement of any liens and for the collection of any amount required to be paid to the state under this part. The warrant shall be directed to any sheriff, marshal, or constable and shall have the same effect as a writ of execution. The warrant shall be levied and sale made pursuant to it in the same manner and with the same effect as a levy of and a sale pursuant to a writ of execution.

SEC. 34. Section 16061 of the Revenue and Taxation Code is repealed.

SEC. 35. Section 16062 of the Revenue and Taxation Code is repealed.

SEC. 36. Section 16063 of the Revenue and Taxation Code is repealed.

SEC. 37. Section 16063 is added to the Revenue and Taxation Code, to read:

16063. (a) If any donor or donee fails to pay any tax, interest, or penalty imposed under this part at the time that it becomes due and payable, the amount thereof, including penalties and interest, together with any costs in addition thereto, shall thereupon be a perfected and enforceable state tax lien upon all property and rights to property whether real or personal, tangible or intangible, including all after-acquired property and rights to property, belonging to such donor or donee and located in the state. Such lien shall not continue for more than 10 years from and after the time a deficiency determination is issued pursuant to the provisions of this part unless recorded or filed as provided in this section.

For the purpose of this section, "due and payable" means the time the gift is made.

(b) With respect to real property or any rights therein, at any time after creation of the lien pursuant to subdivision (a), the Controller may record in the office of the county recorder of the county in which such real property is located a notice of state tax lien as

specified in subdivision (d).

The lien created by subdivision (a) shall not be valid against the right, title or interest of:

(1) A successor in interest of the taxpayer without knowledge of the lien;

(2) A holder of a security interest;

(3) A mechanic's lienor; or

(4) A judgment lien creditor,

where such right, title or interest was acquired or perfected prior to recording of a notice of state tax lien as provided in this subdivision.

(c) With respect to personal property, whether tangible or intangible, at any time after creation of the lien pursuant to subdivision (a) the Controller may file a notice of state tax lien with the Secretary of State pursuant to Chapter 14.5 (commencing with Section 7220) of Division 7 of Title 1 of the Government Code.

The lien created by subdivision (a) shall not be valid as to personal property against:

(1) The holder of a security interest therein whose interest is perfected pursuant to Section 9303 of the Uniform Commercial Code prior to the time the notice of the state tax lien is filed as herein provided;

(2) Any person, other than a person liable for the tax, who acquires his interest in the property under the law of this state without knowledge of the lien or who perfects his interest in accordance with the law of this state prior to the time that the notice of state tax lien is filed with the Secretary of State;

(3) A buyer in the ordinary course of business, as defined in subdivision (9) of Section 1201 of the Uniform Commercial Code, who, under Section 9307 of such code, would take free of a security interest created by his seller;

(4) Any person, other than a person liable for the tax, who, notwithstanding the prior filing of the notice of state tax lien:

(A) Is a holder in due course of a negotiable instrument, as defined in Section 3302 of the Uniform Commercial Code;

(B) Is a holder to whom a negotiable document of title has been duly negotiated as provided in Section 7501 of the Uniform Commercial Code;

(C) Is a bona fide purchaser of a security, as defined in Section 8302 of the Uniform Commercial Code;

(D) Is a purchaser of chattel paper, as defined in Section 9105(1)(b) of the Uniform Commercial Code, or an instrument, as defined in Section 9105(1)(i) of such code, who gives new value and takes possession of it in the ordinary course of business;

(E) Is a holder of a purchase money security interest, as defined in Section 9107 of the Uniform Commercial Code;

(F) Is a collecting bank holding a security interest in items being collected, accompanying documents and proceeds, pursuant to Section 4208 of the Uniform Commercial Code;

(G) Acquires a security interest in a deposit account, as defined

in Section 9105(1)(e) of the Uniform Commercial Code, or in the beneficial interest in a trust or estate;

(H) Acquires any right or interest in letters of credit, advices of credit or money;

(I) Acquires without actual knowledge of the state tax lien a security interest in or a claim in or under any policy of insurance including unearned premiums;

(J) Acquires any right or interest in property subject to a certificate of title statute of another jurisdiction under the law of which indication of a security interest on the certificate of title is required as a condition of perfection of such security interest.

(d) The notice of state tax lien recorded or filed pursuant to subdivision (b) or (c) shall include the name and last known address of the person liable for the tax, the amount of the tax, a statement that the tax shall be a lien upon all real or personal property and rights to such property, including all after-acquired property and rights to property belonging to such person, and a statement that the Controller has complied with all the provisions of this part in the computation and levy of the amount assessed.

(e) Any lien arising pursuant to this section shall continue for 10 years from the date of recording or filing of a notice of state tax lien pursuant to subdivision (b) or (c), unless sooner released or otherwise discharged. The lien may, within 10 years from the date of the recording or filing of the notice of state tax lien or within 10 years from the date of the last extension of the lien in the manner herein provided, be extended by recording or filing a new notice of state tax lien in the office of the county recorder of any county or with the Secretary of State as provided in subdivision (b) or (c), and from the time of such recording or filing the lien shall be extended for 10 years unless sooner released or otherwise discharged.

(f) Notwithstanding the provisions of Sections 688 and 688.1 of the Code of Civil Procedure, in the event the taxpayer is a party to an action or special proceeding in which the taxpayer may become entitled to property or a money judgment, a lien created pursuant to subdivision (a) shall extend to the taxpayer's cause of action and any judgment in favor of the taxpayer subsequently procured in such action or proceeding. Notice of such a lien shall be given to all parties who prior thereto have made an appearance in the action and to judgment creditors who prior thereto have been granted a lien or an order permitting intervention under Section 688.1 of the Code of Civil Procedure. Such lien shall have priority from the time of filing of the notice in the action. No compromise, dismissal, settlement, or satisfaction shall be entered into by or on behalf of the taxpayer with any other party, lienor or intervenor in the action without the consent of the Controller unless the lien is sooner satisfied or discharged. The judge or clerk of the court shall endorse upon the judgment recovered in such action or proceeding a statement of the existence of the lien, the time of the filing of the notice in the action and the place where entered, and any abstract issued upon the

judgment shall contain, in addition to the matters set forth in Sections 674 and 688.1 of the Code of Civil Procedure, a statement of the lien in favor of the Controller.

(g) Any lien, and rights or causes of action under such lien, heretofore recorded in any county pursuant to former Section 16063 or created pursuant to former Section 16062, shall continue in full force and effect for a period of 10 years from the date of last recordation or filing or extension thereof and may, within such period of 10 years, be further extended in the manner provided for in subdivision (e) of this section. Upon recordation or filing of an extension, the lien shall have the same effect as a lien filed pursuant to this section. Such extended lien shall have the same priority as it originally had under the law in effect prior to January 1, 1978.

SEC. 38. Section 16063.5 is added to the Revenue and Taxation Code, to read:

16063.5. Subject to the provisions of subdivision (c) of Section 16063, if any personal property embraced in a gift is sold by the donee or his successor in interest to a bona fide purchaser for an adequate and full consideration in money or money's worth, the lien ceases as to that property and attaches to all other personal property of the donee, including any after-acquired property, except such part of such other property as is also sold to a bona fide purchaser for an adequate and full consideration in money or money's worth.

SEC. 39. Section 16064 of the Revenue and Taxation Code is repealed.

SEC. 40. Section 16065 of the Revenue and Taxation Code is amended to read:

16065. In the case of any gift of an estate, income, or interest (a) for a term of years or for life, or (b) determinable upon any future or contingent event, or (c) constituting a remainder, reversion, or other expectancy, the tax imposed on the gift constitutes a lien which, upon recording or filing pursuant to subdivision (b) or (c) of Section 16063, attaches to the entire property by which the estate, income, or interest is supported.

SEC. 41. Section 16071 of the Revenue and Taxation Code is amended to read:

16071. At any time within three years after any person is delinquent in the payment of any amount herein required to be paid, or within three years after the last recording of a notice of state tax lien under Section 16063, the Controller or his authorized representative may issue a warrant for the enforcement of any liens and for the collection of any amount required to be paid to the state under this part. The warrant shall be directed to any sheriff, marshal or constable and shall have the same effect as a writ of execution. The warrant shall be levied and sale made pursuant to it in the same manner and with the same effect as a levy of and a sale pursuant to a writ of execution.

SEC. 42. Section 16121 of the Revenue and Taxation Code is amended to read:

16121. Proceedings for the collection of any tax imposed by this part may be commenced at any time after the tax is due and within 10 years from and after the time a delinquency determination is issued pursuant to the provisions of this part.

SEC. 43. Section 18831 of the Revenue and Taxation Code is amended to read:

18831. At any time within six years after the determination of liability for any tax, penalties, and interest, or within the period during which a lien is in force as the result of the recording of an abstract under Section 18863 or of the recording or filing of a notice of state tax lien under Section 18881, the Franchise Tax Board may bring an action in the courts of this state, of any other state, or of the United States in the name of the people of the State of California to recover the amount of any taxes, penalties, and interest due and unpaid under this part.

SEC. 44. Section 18863 of the Revenue and Taxation Code is amended to read:

18863. An abstract or a copy of the judgment may be recorded with the county recorder of any county. From the time of the recording, the amount of the tax, penalty, and interest set forth constitutes a lien upon all real property of the taxpayer in the county, owned by him or afterward and before the lien expires acquired by him. Such lien has the force, effect, and priority of a judgment lien and continues for 10 years from the date of the recording unless sooner released or otherwise discharged.

SEC. 45. Section 18881 of the Revenue and Taxation Code is repealed.

SEC. 46. Section 18881 is added to the Revenue and Taxation Code, to read:

18881. (a) If any taxpayer fails to pay any tax, interest or penalty imposed under this part at the time that it becomes due and payable, the amount thereof, including penalties and interest, together with any costs in addition thereto, shall thereupon be a perfected and enforceable state tax lien upon all property and rights to property whether real or personal, tangible, or intangible, including all after-acquired property and rights to property, belonging to such person and located in the state. Such lien shall not continue for more than 10 years unless recorded or filed as provided in this section.

For the purposes of this section only, "due and payable" means the date a return is required to be filed, without regard to any extension of time, without payment of the amount due, or the date an assessment made under this part becomes final, whichever is applicable.

(b) With respect to real property or any rights therein, at any time after creation of the lien pursuant to subdivision (a), the Franchise Tax Board may record in the office of the county recorder of the county in which such real property is located a notice of state tax lien as specified in subdivision (d).

The lien created by subdivision (a) shall not be valid against the

right, title or interest of:

(1) A successor in interest of the taxpayer without knowledge of the lien;

(2) A holder of a security interest;

(3) A mechanic's lienor; or

(4) A judgment lien creditor,

where such right, title or interest was acquired or perfected prior to recording of a notice of state tax lien as provided in this subdivision.

(c) With respect to personal property, whether tangible or intangible, at any time after creation of the lien pursuant to subdivision (a) the Franchise Tax Board may file a notice of state tax lien with the Secretary of State pursuant to Chapter 14.5 (commencing with Section 7220) of Division 7 of Title 1 of the Government Code.

The lien created by subdivision (a) shall not be valid as to personal property against:

(1) The holder of a security interest therein whose interest is perfected pursuant to Section 9303 of the Uniform Commercial Code prior to the time the notice of the state tax lien is filed as herein provided;

(2) Any person, other than a person liable for the tax, who acquires his interest in the property under the law of this state without knowledge of the lien or who perfects his interest in accordance with the law of this state prior to the time that the notice of state tax lien is filed with the Secretary of State;

(3) A buyer in the ordinary course of business, as defined in subdivision (9) of Section 1201 of the Uniform Commercial Code, who, under Section 9307 of such code, would take free of a security interest created by his seller;

(4) Any person, other than a person liable for the tax, who, notwithstanding the prior filing of the notice of state tax lien:

(A) Is a holder in due course of a negotiable instrument, as defined in Section 3302 of the Uniform Commercial Code;

(B) Is a holder to whom a negotiable document of title has been duly negotiated as provided in Section 7501 of the Uniform Commercial Code;

(C) Is a bona fide purchaser of a security, as defined in Section 8302 of the Uniform Commercial Code;

(D) Is a purchaser of chattel paper, as defined in Section 9105(1)(b) of the Uniform Commercial Code, or an instrument, as defined in Section 9105(1)(i) of such code, who gives new value and takes possession of it in the ordinary course of business;

(E) Is a holder of a purchase money security interest, as defined in Section 9107 of the Uniform Commercial Code;

(F) Is a collecting bank holding a security interest in items being collected, accompanying documents and proceeds, pursuant to Section 4208 of the Uniform Commercial Code;

(G) Acquires a security interest in a deposit account, as defined in Section 9105(1)(e) of the Uniform Commercial Code, or in the

beneficial interest in a trust or estate;

(H) Acquires any right or interest in letters of credit, advices of credit or money;

(I) Acquires without actual knowledge of the state tax lien a security interest in or a claim in or under any policy of insurance including unearned premiums;

(J) Acquires any right or interest in property subject to a certificate of title statute of another jurisdiction under the law of which indication of a security interest on the certificate of title is required as a condition of perfection of such security interest.

(d) The notice of state tax lien recorded or filed pursuant to subdivision (b) or (c) shall include the name and last known address of the person liable for the tax, the amount of the tax, a statement that the tax shall be a lien upon all real or personal property and rights to property, belonging to such person, and a statement that the Franchise Tax Board has complied with all the provisions of this part in the computation and levy of the amount assessed.

(e) Any lien arising pursuant to this section shall continue for 10 years from the date of recording or filing of a notice of state tax lien pursuant to subdivision (b) or (c), unless sooner released or otherwise discharged. The lien may, within 10 years from the date of the recording or filing of the notice of state tax lien or within 10 years from the date of the last extension of the lien in the manner herein provided, be extended by recording or filing a new notice of state tax lien in the office of the county recorder of any county or with the Secretary of State as provided in subdivision (b) or (c), and from the time of such recording or filing the lien shall be extended for 10 years unless sooner released or otherwise discharged.

(f) Notwithstanding the provisions of Sections 688 and 688.1 of the Code of Civil Procedure, in the event the taxpayer is a party to an action or special proceeding in which the taxpayer may become entitled to property or a money judgment, a lien created pursuant to subdivision (a) shall extend to the taxpayer's cause of action and any judgment in favor of the taxpayer subsequently procured in such action or proceeding. Notice of such a lien shall be given to all parties who prior thereto have made an appearance in the action and to judgment creditors who prior thereto have been granted a lien or an order permitting intervention under Section 688.1, of the Code of Civil Procedure. Such lien shall have priority from the time of filing of the notice in the action. No compromise, dismissal, settlement, or satisfaction shall be entered into by or on behalf of the taxpayer with any other party, lienor or intervenor in the action without the consent of the Franchise Tax Board unless the lien is sooner satisfied or discharged. The judge or clerk of the court shall endorse upon the judgment recovered in such action or proceeding a statement of the existence of the lien, the time of the filing of the notice in the action, and the place where entered, and any abstract issued upon the judgment shall contain, in addition to the matters set forth in Sections 674 and 688.1 of the Code of Civil Procedure, a statement

of the lien in favor of the Franchise Tax Board.

(g) Any lien, and any rights or causes of action under such lien, heretofore recorded in any county pursuant to former Section 18881 or filed with the Secretary of State pursuant to former Section 18882.5, shall continue in full force and effect for a period of 10 years from the date of last recordation or filing or extension thereof and may, within such period of 10 years, be further extended in the manner provided for in subdivision (e) of this section. Upon recordation or filing of an extension, the lien shall have the same effect as a lien filed pursuant to this section. Such extended lien shall have the same priority as it originally had under the law in effect prior to January 1, 1978.

SEC. 47. Section 18882 of the Revenue and Taxation Code is repealed.

SEC. 48. Section 18882.5 of the Revenue and Taxation Code is repealed.

SEC. 49. Section 18883 of the Revenue and Taxation Code is repealed.

SEC. 50. Section 18884.5 of the Revenue and Taxation Code is amended to read:

18884.5. The Franchise Tax Board may release any lien imposed under Section 18863, 18864, 18881, or 18886 if it finds that the liability represented by the lien, including any interest accrued thereon, is legally unenforceable.

SEC. 51. Section 18886 of the Revenue and Taxation Code is amended to read:

18886. Upon recordation or filing of a notice of state tax lien pursuant to subdivision (b) or (c) of Section 18881 by the Franchise Tax Board for any taxes due from the grantor of a trust on income of the trust which is taxable to the grantor under this part, and upon its giving notice of the recording or filing pursuant to subdivision (b) or (c) of Section 18881 to the fiduciary of the trust, or in case there is more than one fiduciary to any one of the fiduciaries, the amount of the taxes constitutes a lien upon all the real or personal property of the trust in the county owned by the trust or afterwards and before the lien expires acquired by the trust. The lien has the force, effect, and priority of a lien created pursuant to Section 18881.

SEC. 52. Section 18933 of the Revenue and Taxation Code is amended to read:

18933. The amounts required to be paid by any person under this part together with interest and penalties shall be satisfied first in any of the following cases:

(a) Whenever the person is insolvent.

(b) Whenever the person makes a voluntary assignment of his assets.

(c) Whenever the estate of the person in the hands of executors, administrators, or heirs is insufficient to pay all the debts due from the deceased.

(d) Whenever the estate and effects of an absconding, concealed,

or absent person required to pay any amount under this part are levied upon by process of law.

This section does not give the state a preference over any lien or security interest which was recorded or perfected prior to the time when the state records or files its lien pursuant to subdivision (b) or (c) of Section 18881.

The preference given to the state by this section shall be subordinate to the preferences given to claims for personal services by Sections 1204 and 1206 of the Code of Civil Procedure.

SEC. 53. Section 26161 of the Revenue and Taxation Code is repealed.

SEC. 54. Section 26161 is added to the Revenue and Taxation Code, to read:

26161. (a) If any taxpayer fails to pay any tax, interest or penalty imposed under this part at the time that it becomes due and payable, the amount thereof, including penalties and interest, together with any costs in addition thereto, shall thereupon be a perfected and enforceable state tax lien upon all property and rights to property whether real or personal, tangible or intangible, including all after-acquired property and rights to property, belonging to such person and located in the state. Such lien shall not continue for more than 10 years unless recorded or filed as provided in this section.

For the purposes of this section only, "due and payable" means the date a return is required to be filed, without regard to any extension of time, without payment of the amount due, or the date an assessment made under this part becomes final, whichever is applicable.

(b) With respect to real property or any rights therein, at any time after creation of the lien pursuant to subdivision (a), the Franchise Tax Board may record in the office of the county recorder of the county in which such real property is located a notice of state tax lien as specified in subdivison (d).

The lien created by subdivision (a) shall not be valid against the right, title or interest of:

(1) A successor in interest of the taxpayer without knowledge of the lien;

(2) A holder of a security interest;

(3) A mechanic's lienor; or

(4) A judgment lien creditor,

where such right, title or interest was acquired or perfected prior to recording of a notice of state tax lien as provided in this subdivision.

(c) With respect to personal property, whether tangible or intangible, at any time after creation of the lien pursuant to subdivision (a) the Franchise Tax Board may file a notice of state tax lien with the Secretary of State pursuant to Chapter 14.5 (commencing with Section 7220) of Division 7 of Title 1 of the Government Code.

The lien created by subdivision (a) shall not be valid as to personal property against:

(1) The holder of a security interest therein whose interest is perfected pursuant to Section 9303 of the Uniform Commercial Code prior to the time the notice of the state tax lien is filed as herein provided;

(2) Any person, other than a person liable for the tax, who acquires his interest in the property under the law of this state without knowledge of the lien or who perfects his interest in accordance with the law of this state prior to the time that the notice of state tax lien is filed with the Secretary of State;

(3) A buyer in the ordinary course of business, as defined in subdivision (9) of Section 1201 of the Uniform Commerical Code, who, under Section 9307 of such code, would take free of a security interest created by his seller;

(4) Any person, other than a person liable for the tax, who, notwithstanding the prior filing of the notice of state tax lien:

(A) Is a holder in due course of a negotiable instrument, as defined in Section 3302 of the Uniform Commercial Code;

(B) Is a holder to whom a negotiable document of title has been duly negotiated as provided in Section 7501 of the Uniform Commercial Code;

(C) Is a bona fide purchaser of a security, as defined in Section 8302 of the Uniform Commercial Code;

(D) Is a purchaser of chattel paper, as defined in Section 9105(1)(b) of the Uniform Commercial Code, or an instrument, as defined in Section 9105(1)(i) of such code, who gives new value and takes possession of it in the ordinary course of business;

(E) Is a holder of a purchase money security interest, as defined in Section 9107 of the Uniform Commercial Code;

(F) Is a collecting bank holding a security interest in items being collected, accompanying documents and proceeds, pursuant to Section 4208 of the Uniform Commercial Code;

(G) Acquires a security interest in a deposit account, as defined in Section 9105(1)(e) of the Uniform Commercial Code, or in the beneficial interest in a trust or estate;

(H) Acquires any right or interest in letters of credit, advices of credit or money;

(I) Acquires without actual knowledge of the state tax lien a security interest in or a claim in or under any policy of insurance including unearned premiums;

(J) Acquires any right or interest in property subject to a certificate of title statute of another jurisdiction under the law of which indication of a security interest on the certificate of title is required as a condition of perfection of such security interest.

(d) The notice of state tax lien recorded or filed pursuant to subdivision (b) or (c) shall include the name and last known address of the person liable for the tax, the amount of the tax, a statement that the tax shall be a lien upon all real or personal property and rights to property, belonging to such person, and a statement that the Franchise Tax Board has complied with all the provisions of this part

in the computation and levy of the amount assessed.

(e) Any lien arising pursuant to this section shall continue for 10 years from the date of recording or filing of a notice of state tax lien pursuant to subdivision (b) or (c), unless sooner released or otherwise discharged. The lien may, within 10 years from the date of the recording or filing of the notice of state tax lien or within 10 years from the date of the last extension of the lien in the manner herein provided, be extended by recording or filing a new notice of state tax lien in the office of the county recorder of any county or with the Secretary of State as provided in subdivision (b) or (c), and from the time of such recording or filing the lien shall be extended for 10 years unless sooner released or otherwise discharged.

(f) Notwithstanding the provisions of Section 688 and 688.1 of the Code of Civil Procedure, in the event the taxpayer is a party to an action or special proceeding in which the taxpayer may become entitled to property or a money judgment, a lien created pursuant to subdivision (a) shall extend to the taxpayer's cause of action and any judgment in favor of the taxpayer subsequently procured in such action or proceeding. Notice of such a lien shall be given to all parties who prior thereto have made an appearance in the action and to judgment creditors who prior thereto have been granted a lien or an order permitting intervention under Section 688.1, of the Code of Civil Procedure. Such lien shall have priority from the time of filing of the notice in the action. No compromise, dismissal, settlement, or satisfaction shall be entered into by or on behalf of the taxpayer with any other party, lienor or intervenor in the action without the consent of the Franchise Tax Board unless the lien is sooner satisfied or discharged. The judge or clerk of the court shall endorse upon the judgment recovered in such action or proceeding a statement of the existence of the lien, the time of the filing of the notice in the action, and the place where entered, and any abstract issued upon the judgment shall contain, in addition to the matters set forth in Section 674 and 688.1 of the Code of Civil Procedure, a statement of the lien in favor of the Franchise Tax Board.

(g) Any lien, and any rights or causes of action under such lien, heretofore recorded in any county pursuant to former Section 26161 or filed with the Secretary of State pursuant to former Section 26161.5, shall continue in full force and effect for a period of 10 years from the date of last recordation or filing or extension thereof and may, within such period of 10 years, be further extended in the manner provided for in subdivision (e) of this section. Upon recordation or filing of an extension, the lien shall have the same effect as a lien filed pursuant to this section. Such extended lien shall have the same priority as it origianlly had under the law in effect prior to January 1, 1978.

SEC. 55. Section 26161.5 of the Revenue and Taxation Code is repealed.

SEC. 56. Section 26162.5 of the Revenue and Taxation Code is amended to read:

26162.5. The Franchise Tax Board may release any lien imposed under Section 26161 if it finds that the liability represented by the lien, including any interest accrued thereon, is legally unenforceable.

SEC. 57. Section 26251 of the Revenue and Taxation Code is amended to read:

26251. At any time within six years after the determination of liability for any tax, penalties, and interest or within the period during which a lien is in force as the result of the recording or filing of a notice of state tax lien under Section 26161 the Franchise Tax Board may bring an action in the courts of this state, of any other state, or of the United States in the name of the people of the State of California to collect the amount due, together with penalties, and interest. The Attorney General or counsel for the Franchise Tax Board shall prosecute the action. In such action a writ of attachment may be issued in the manner provided by Chapter 5 (commencing with Section 485.010) of Title 6.5 of Part 2 of the Code of Civil Procedure without the showing required by Section 485.010 of the Code of Civil Procedure.

SEC. 58. Section 26312 of the Revenue and Taxation Code is amended to read:

26312. The amount required to be paid by any taxpayer under this part together with interest and penalties shall be satisfied first in any of the following cases:

(a) Whenever the taxpayer is insolvent.

(b) Whenever the taxpayer makes a voluntary assignment of his assets.

(c) Whenever the estate of the taxpayer in the hands of executors, administrators, or heirs is insufficient to pay all the debts due from the deceased.

(d) Whenever the estate and effects of an absconding, concealed, or absent taxpayer required to pay any amount under this part are levied upon by process of law.

This section does not give the state a preference over any lien or security interest which was recorded or perfected prior to the time when the state records or files its lien pursuant to subdivision (b) or (c) of Section 26161.

The preference given to the state by this section shall be subordinate to the preferences given to claims for personal services by Sections 1204 and 1206 of the Code of Civil Procedure.

SEC. 59. Section 30301 of the Revenue and Taxation Code is amended to read:

30301. At any time within three years after any amount of tax becomes due and payable, and at any time within 10 years after the last recording or filing of a notice of state tax lien under Section 30322, the board may transmit notice of the delinquency to the Attorney General, who shall at once proceed by appropriate legal action to collect all sums due the state.

SEC. 60. Section 30311 of the Revenue and Taxation Code is amended to read:

30311. If any person is delinquent in the payment of the amount required to be paid by him or in the event a determination has been made against him which remains unpaid, the board may, not later than three years after the payment became delinquent, or within 10 years after the last recording or filing of a notice of state tax lien under Section 30322, give notice thereof personally or by registered mail to all persons, including any officer or department of the state or any political subdivision or agency of the state, having in their possession or under their control any credits or other personal property belonging to the delinquent, or person against whom a determination has been made which remains unpaid, or owing any debts to the delinquent or such person. In the case of any state officer, department or agency, the notice shall be given to such officer, department or agency prior to the time it presents the claim of the delinquent taxpayer to the State Controller.

SEC. 61. Section 30321 of the Revenue and Taxation Code is amended to read:

30321. The amounts required to be paid by any person under this part together with interest and penalties shall be satisfied first in any of the following cases:

(a) Whenever the person is insolvent.

(b) Whenever the person makes a voluntary assignment of his assets.

(c) Whenever the estate of the person in the hands of executors, administrators, or heirs is insufficient to pay all the debts due from the deceased.

(d) Whenever the estate and effects of an absconding, concealed, or absent person required to pay any amount under this part are levied upon by process of law.

This section does not give the state a preference over any lien or security interest which was recorded or perfected prior to the time when the state records or files its lien pursuant to subdivision (b) or (c) of Section 30322.

The preference given to the state by this section shall be subordinate to the preferences given to claims for personal services by Sections 1204 and 1026 of the Code of Civil Procedure.

SEC. 62. Section 30322 of the Revenue and Taxation Code is repealed.

SEC. 63. Section 30322 is added to the Revenue and Taxation Code, to read:

30322. (a) If any person fails to pay any amount imposed under this part at the time that it becomes due and payable, the amount thereof, including penalties and interest, together with any costs in addition thereto, shall thereupon be a perfected and enforceable state tax lien upon all property and rights to property whether real or personal, tangible or intangible, including all after-acquired property and rights to property, belonging to such person and located in the state. Such lien shall not continue for more than 10 years unless recorded or filed as provided in this section.

For the purpose of this section only, "due and payable" means the date a return is required to be filed, without regard to any extension of time, without payment of the amount due, or the date a determination or assessment made under this part becomes final, whichever is applicable.

(b) With respect to real property or any rights therein, at any time after creation of the lien pursuant to subdivision (a), the board may record in the office of the county recorder of the county in which such real property is located a notice of state tax lien as specified in subdivision (d).

The lien created by subdivision (a) shall not be valid against the right, title or interest of:

(1) A successor in interest of the taxpayer without knowledge of the lien;

(2) A holder of a security interest;

(3) A mechanic's lienor; or

(4) A judgment lien creditor,

where such right, title or interest was acquired or perfected prior to recording of a notice of state tax lien as provided in this subdivision.

(c) With respect to personal property, whether tangible or intangible, at any time after creation of the lien pursuant to subdivision (a) the board may file a notice of state tax lien with the Secretary of State pursuant to Chapter 14.5 (commencing with Section 7220) of Division 7 of Title 1 of the Government Code.

The lien created by subdivision (a) shall not be valid as to personal property against:

(1) The holder of a security interest therein whose interest is perfected pursuant to Section 9303 of the Uniform Commercial Code prior to the time the notice of the state tax lien is filed as herein provided;

(2) Any person, other than a person liable for the tax, who acquires his interest in the property under the law of this state without knowledge of the lien or who perfects his interest in accordance with the law of this state prior to the time that the notice of state tax lien is filed with the Secretary of State;

(3) A buyer in the ordinary course of business, as defined in subdivision (9) of Section 1201 of the Uniform Commercial Code, who, under Section 9307 of such code, would take free of a security interest created by his seller;

(4) Any person, other than a person liable for the tax, who, notwithstanding the prior filing of the notice of state tax lien:

(A) Is a holder in due course of a negotiable instrument, as defined in Section 3302 of the Uniform Commercial Code;

(B) Is a holder to whom a negotiable document of title has been duly negotiated as provided in Section 7501 of the Uniform Commercial Code;

(C) Is a bona fide purchaser of a security, as defined in Section 8302 of the Uniform Commercial Code;

(D) Is a purchaser of chattel paper, as defined in Section

9105(1)(b) of the Uniform Commercial Code, or an instrument, as defined in Section 9105(1)(i) of such code, who gives new value and takes possession of it in the ordinary course of business;

(E) Is a holder of a purchase money security interest, as defined in Section 9107 of the Uniform Commercial Code;

(F) Is a collecting bank holding a security interest in items being collected, accompanying documents and proceeds, pursuant to Section 4208 of the Uniform Commercial Code;

(G) Acquires a security interest in a deposit account, as defined in Section 9105(1)(e) of the Uniform Commercial Code, or in the beneficial interest in a trust or estate;

(H) Acquires any right or interest in letters of credit, advices of credit or money;

(I) Acquires without actual knowledge of the state tax lien a security interest in or a claim in or under any policy of insurance including unearned premiums;

(J) Acquires any right or interest in property subject to a certificate of title statute of another jurisdiction under the law of which indication of a security interest on the certificate of title is required as a condition of perfection of such security interest.

(d) The notice of state tax lien recorded or filed pursuant to subdivision (b) or (c) shall include the name and last known address of the person liable for the tax, the amount of the tax, a statement that the tax shall be a lien upon all real or personal property and rights to such property, including all after-acquired property and rights to property belonging to such person, and a statement that the board has complied with all the provisions of this part in the computation and levy of the amount assessed.

(e) Any lien arising pursuant to this section shall continue for 10 years from the date of recording or filing of a notice of state tax lien pursuant to subdivision (b) or (c), unless sooner released or otherwise discharged. The lien may, within 10 years from the date of the recording or filing of the notice of state tax lien or within 10 years from the date of the last extension of the lien in the manner herein provided, be extended by recording or filing a new notice of state tax lien in the office of the county recorder of any county or with the Secretary of State as provided in subdivision (b) or (c), and from the time of such recording or filing the lien shall be extended for 10 years unless sooner released or otherwise discharged.

(f) Notwithstanding the provisions of Sections 688 and 688.1 of the Code of Civil Procedure, in the event the taxpayer is a party to an action or special proceeding in which the taxpayer may become entitled to property or a money judgment, a lien created pursuant to subdivision (a) shall extend to the taxpayer's cause of action and any judgment in favor of the taxpayer subsequently procured in such action or proceeding. Notice of such a lien shall be given to all parties who prior thereto have made an appearance in the action and to judgment creditors who prior thereto have been granted a lien or an order permitting intervention under Section 688.1 of the Code of

Civil Procedure. Such lien shall have priority from the time of filing of the notice in the action. No compromise, dismissal, settlement, or satisfaction shall be entered into by or on behalf of the taxpayer with any other party, lienor or intervenor in the action without the consent of the board unless the lien is sooner satisfied or discharged. The judge or clerk of the court shall endorse upon the judgment recovered in such action or proceeding a statement of the existence of the lien, the time of the filing of the notice in the action, and the place where entered, and any abstract issued upon the judgment shall contain, in addition to the matters set forth in Sections 674 and 688.1 of the Code of Civil Procedure, a statement of the lien in favor of the board.

(g) Any lien, and any rights or causes of action under such lien, heretofore recorded in any county pursuant to former Section 30322 shall continue in full force and effect for a period of 10 years from the date of last recordation or extension thereof and may, within such period of 10 years, be further extended in the manner provided for in subdivision (e) of this section. Upon recordation of an extension, the lien shall have the same effect as a lien filed pursuant to this section. Such extended lien shall have the same priority as it originally had under the law in effect prior to January 1, 1978.

SEC. 64. Section 30341 of the Revenue and Taxation Code is amended to read:

30341. At any time within three years after any person is delinquent in the payment of any amount herein required to be paid, or within 10 years after the last recording or filing of a notice of state tax lien under Section 30322, the board or its authorized representative may issue a warrant for the enforcement of any liens and for the collection of any amount required to be paid to the state under this part. The warrant shall be directed to any sheriff, marshal or constable and shall have the same effect as a writ of execution. The warrant shall be levied and sale made pursuant to it in the same manner and with the same effect as a levy and a sale pursuant to a writ of execution.

SEC. 65. Section 32363 is added to the Revenue and Taxation Code, to read:

32363. (a) If any person fails to pay any amount imposed under this part at the time that it becomes due and payable, the amount thereof, including penalties and interest, together with any costs in addition thereto, shall thereupon be a perfected and enforceable state tax lien upon all property and rights to property whether real or personal, tangible or intangible, including all after-acquired property and rights to property, belonging to such person and located in the state. Such lien shall not continue for more than 10 years unless recorded or filed as provided in this section.

For the purpose of this section only, "due and payable" means the date a return is required to be filed, without regard to any extension of time, without payment of the amount due, or the date a determination or assessment made under this part becomes final,

whichever is applicable.

(b) With respect to real property or any rights therein, at any time after creation of the lien pursuant to subdivision (a), the board may record in the office of the county recorder of the county in which such real property is located a notice of state tax lien as specified in subdivision (d).

The lien created by subdivision (a) shall not be valid against the right, title or interest of:

(1) A successor in interest of the taxpayer without knowledge of the lien;

(2) A holder of a security interest;

(3) A mechanic's lienor; or

(4) A judgment lien creditor,

where such right, title or interest was acquired or perfected prior to recording of a notice of state tax lien as provided in this subdivision.

(c) With respect to personal property, whether tangible or intangible, at any time after creation of the lien pursuant to subdivision (a) the board may file a notice of state tax lien with the Secretary of State pursuant to Chapter 14.5 (commencing with Section 7220) of Division 7 of Title 1 of the Government Code.

The lien created by subdivision (a) shall not be valid as to personal property against:

(1) The holder of a security interest therein whose interest is perfected pursuant to Section 9303 of the Uniform Commercial Code prior to the time the notice of the state tax lien is filed as herein provided;

(2) Any person, other than a person liable for the tax, who acquires his interest in the property under the law of this state without knowledge of the lien or who perfects his interest in accordance with the law of this state prior to the time that the notice of state tax lien is filed with the Secretary of State;

(3) A buyer in the ordinary course of business, as defined in subdivision (9) of Section 1201 of the Uniform Commercial Code, who, under Section 9307 of such code, would take free of a security interest created by his seller;

(4) Any person, other than a person liable for the tax, who, notwithstanding the prior filing of the notice of state tax lien:

(A) Is a holder in due course of a negotiable instrument, as defined in Section 3302 of the Uniform Commercial Code;

(B) Is a holder to whom a negotiable document of title has been duly negotiated as provided in Section 7501 of the Uniform Commercial Code;

(C) Is a bona fide purchaser of a security, as defined in Section 8302 of the Uniform Commercial Code;

(D) Is a purchaser of chattel paper, as defined in Section 9105(1) (b) of the Uniform Commercial Code, or an instrument, as defined in Section 9105(1) (i) of such code, who gives new value and takes possession of it in the ordinary course of business;

(E) Is a holder of a purchase money security interest, as defined

in Section 9107 of the Uniform Commercial Code;

(F) Is a collecting bank holding a security interest in items being collected, accompanying documents and proceeds, pursuant to Section 4208 of the Uniform Commercial Code;

(G) Acquires a security interest in a deposit account, as defined in Section 9105(1)(e) of the Uniform Commercial Code, or in the beneficial interest in a trust or estate;

(H) Acquires any right or interest in letters of credit, advices of credit or money;

(I) Acquires without actual knowledge of the state tax lien a security interest in or a claim in or under any policy of insurance including unearned premiums;

(J) Acquires any right or interest in property subject to a certificate of title statute of another jurisdiction under the law of which indication of a security interest on the certificate of title is required as a condition of perfection of such security interest.

(d) The notice of state tax lien recorded or filed pursuant to subdivision (b) or (c) shall include the name and last known address of the person liable for the tax, the amount of the tax, a statement that the tax shall be a lien upon all real or personal property and rights to such property, including all after-acquired property and rights to property belonging to such person, and a statement that the board has complied with all the provisions of this part in the computation and levy of the amount assessed.

(e) Any lien arising pursuant to this section shall continue for 10 years from the date of recording or filing of a notice of state tax lien pursuant to subdivision (b) or (c), unless sooner released or otherwise discharged. The lien may, within 10 years from the date of the recording or filing of the notice of state tax lien or within 10 years from the date of the last extension of the lien in the manner herein provided, be extended by recording or filing a new notice of state tax lien in the office of the county recorder of any county or with the Secretary of State as provided in subdivision (b) or (c), and from the time of such recording or filing the lien shall be extended for 10 years unless sooner released or otherwise discharged.

(f) Notwithstanding the provisions of Sections 688 and 688.1 of the Code of Civil Procedure, in the event the taxpayer is a party to an action or special proceeding in which the taxpayer may become entitled to property or a money judgment, a lien created pursuant to subdivision (a) shall extend to the taxpayer's cause of action and any judgment in favor of the taxpayer subsequently procured in such action or proceeding. Notice of such a lien shall be given to all parties who prior thereto have made an appearance in the action and to judgment creditors who prior thereto have been granted a lien or an order permitting intervention under Section 688.1, of the Code of Civil Procedure. Such lien shall have priority from the time of filing of the notice in the action. No compromise, dismissal, settlement, or satisfaction shall be entered into by or on behalf of the taxpayer with any other party, lienor or intervenor in the action without the

consent of the board unless the lien is sooner satisfied or discharged. The judge or clerk of the court shall endorse upon the judgment recovered in such action or proceeding a statement of the existence of the lien, the time of the filing of the notice in the action, and the place where entered, and any abstract issued upon the judgment shall contain, in addition to the matters set forth in Sections 674 and 688.1 of the Code of Civil Procedure, a statement of the lien in favor of the board.

SEC. 66. Section 32365 of the Revenue and Taxation Code is amended to read:

32365. At any time within three years after any person is delinquent in the payment of any amount herein required to be paid, or within 10 years after the last recording of an abstract under Section 32362 or the recording or filing of a notice of state tax lien under Section 32363, the board or its authorized representative may issue a warrant for the enforcement of any liens and for the collection of any amount required to be paid to the state under this part. The warrant shall be directed to any sheriff, marshal or constable and shall have the same effect as a writ of execution. The warrant shall be levied and sale made pursuant to it in the same manner and with the same effect as a levy of and a sale pursuant to a writ of execution.

SEC. 67. Section 32381 of the Revenue and Taxation Code is amended to read:

32381. If any taxpayer is delinquent in the payment of any obligations imposed by this part, or in the event a determination has been made against such a taxpayer which remains unpaid, the board may, not later than three years after the payment becomes delinquent, or within 10 years after the last recording of an abstract or copy of judgment under Section 32362 or the recording or filing of a notice of state tax lien under Section 32363, give notice thereof, personally or by registered mail to all persons, including any officer or department of the state or any political subdivision or agency of the state, having in their possession or under their control any credits or other personal property belonging to the taxpayer, or owing any debts to the taxpayer. In the case of any state officer, department, or agency, the notice shall be given to such officer, department, or agency prior to the time it presents the claim of the delinquent taxpayer to the State Controller.

SEC. 68. Section 32386 of the Revenue and Taxation Code is repealed.

SEC. 68.5. Section 32386 is added to the Revenue and Taxation Code, to read:

32386. The amounts required to be paid by any person under this part together with interest and penalties shall be satisfied first in any of the following cases:

(a) Whenever the person is insolvent.

(b) Whenever the person makes a voluntary assignment of his assets.

(c) Whenever the estate of the person in the hands of executors,

administrators, or heirs is insufficient to pay all the debts due from the deceased.

(d) Whenever the estate and effects of an absconding, concealed, or absent person required to pay any amount under this part are levied upon by process of law.

This section does not give the state a preference over any lien or security interest which was recorded or perfected prior to the time when the state records or files its lien pursuant to subdivision (b) or (c) of Section 32363.

SEC. 69. Section 1702 of the Unemployment Insurance Code is amended to read:

1702. Section 1701 does not give the state a preference over any lien or security interest which was recorded or perfected prior to the time when the state records or files its lien pursuant to subdivision (c) or (d) of Section 1703 and the preference given to the state by that section is subordinate to the preferences given to claims for personal services by Sections 1204 and 1206 of the Code of Civil Procedure.

SEC. 70. Section 1703 of the Unemployment Insurance Code is repealed.

SEC. 71. Section 1703 is added to the Unemployment Insurance Code, to read:

1703. (a) If any employing unit or other person fails to pay any amount imposed under this division at the time that it becomes due and payable, the amount thereof, including penalties and interest, together with any costs in addition thereto, shall thereupon be a perfected and enforceable state tax lien upon all property and rights to property whether real or personal, tangible or intangible, including all after-acquired property and rights to property, belonging to such person and located in the state. Such lien shall not continue for more than 10 years unless recorded or filed as provided in this section.

For the purpose of this section only, "due and payable" means the date a return is required to be filed, without regard to any extension of time, without payment of the amount due or the date a determination or assessment made under this division becomes final, whichever is applicable.

(b) With respect to real property or any rights therein, at any time after creation of the lien pursuant to subdivision (a), the director may record in the office of the county recorder of the county in which such real property is located a notice of state tax lien as specified in subdivision (d).

The lien created by subdivision (a) shall not be valid against the right, title or interest of:

(1) A successor in interest of the taxpayer without knowledge of the lien;

(2) A holder of a security interest;

(3) A mechanic's lienor; or

(4) A judgment lien creditor,

where such right, title or interest was acquired or perfected prior to recording of a notice of state tax lien as provided in this subdivision.

(c) With respect to personal property, whether tangible or intangible, at any time after creation of the lien pursuant to subdivision (a) the director may file a notice of state tax lien with the Secretary of State pursuant to Chapter 14.5 (commencing with Section 7220) of Division 7 of Title 1 of the Government Code.

The lien created by subdivision (a) shall not be valid as to personal property against:

(1) The holder of a security interest therein whose interest is perfected pursuant to Section 9303 of the Uniform Commercial Code prior to the time the notice of the state tax lien is filed as herein provided;

(2) Any person, other than a person liable for the tax, who acquires his interest in the property under the law of this state without knowledge of the lien or who perfects his interest in accordance with the law of this state prior to the time that the notice of state tax lien is filed with the Secretary of State;

(3) A buyer in the ordinary course of business, as defined in subdivision (9) of Section 1201 of the Uniform Commercial Code, who, under Section 9307 of such code, would take free of a security interest created by his seller;

(4) Any person, other than a person liable for the tax, who, notwithstanding the prior filing of the notice of state tax lien:

(A) Is a holder in due course of a negotiable instrument, as defined in Section 3302 of the Uniform Commercial Code;

(B) Is a holder to whom a negotiable document of title has been duly negotiated as provided in Section 7501 of the Uniform Commercial Code;

(C) Is a bona fide purchaser of a security, as defined in Section 8302 of the Uniform Commercial Code;

(D) Is a purchaser of chattel paper, as defined in Section 9105(1)(b) of the Uniform Commercial Code, or an instrument, as defined in Section 9105(1)(i) of such code, who gives new value and takes possession of it in the ordinary course of business;

(E) Is a holder of a purchase money security interest, as defined in Section 9107 of the Uniform Commercial Code;

(F) Is a collecting bank holding a security interest in items being collected, accompanying documents and proceeds, pursuant to Section 4208 of the Uniform Commercial Code;

(G) Acquires a security interest in a deposit account, as defined in Section 9105(1)(e) of the Uniform Commercial Code, or in the beneficial interest in a trust or estate;

(H) Acquires any right or interest in letters of credit, advices of credit or money;

(I) Acquires without actual knowledge of the state tax lien a security interest in or a claim in or under any policy of insurance including unearned premiums;

(J) Acquires any right or interest in property subject to a

certificate of title statute of another jurisdiction under the law of which indication of a security interest on the certificate of title is required as a condition of perfection of such security interest.

(d) The notice of state tax lien recorded or filed pursuant to subdivision (b) or (c) shall include the name and last known address of the person liable for the tax, the amount of the tax, a statement that the tax shall be a lien upon all real or personal property and rights to such property, including all after-acquired property and rights to property belonging to such person, and a statement that the director has complied with all the provisions of this part in the computation and levy of the amount assessed.

(e) Any lien arising pursuant to this section shall continue for 10 years from the date of recording or filing of a notice of state tax lien pursuant to subdivision (b) or (c), unless sooner released or otherwise discharged. The lien may, within 10 years from the date of the recording or filing of the notice of state tax lien or within 10 years from the date of the last extension of the lien in the manner herein provided, be extended by recording or filing a new notice of state tax lien in the office of the county recorder of any county or with the Secretary of State as provided in subdivision (b) or (c), and from the time of such recording or filing the lien shall be extended for 10 years unless sooner released or otherwise discharged.

(f) Notwithstanding the provisions of Sections 688 and 688.1 of the Code of Civil Procedure, in the event the taxpayer is a party to an action or special proceeding in which the taxpayer may become entitled to property or a money judgment, a lien created pursuant to subdivision (a) shall extend to the taxpayer's cause of action and any judgment in favor of the taxpayer subsequently procured in such action or proceeding. Notice of such a lien shall be given to all parties who prior thereto have made an appearance in the action and to judgment creditors who prior thereto have been granted a lien or an order permitting intervention under Section 688.1 of the Code of Civil Procedure. Such lien shall have priority from the time of filing of the notice in the action. No compromise, dismissal, settlement, or satisfaction shall be entered into by or on behalf of the taxpayer with any other party, lienor or intervenor in the action without the consent of the director unless the lien is sooner satisfied or discharged. The judge or clerk of the court shall endorse upon the judgment recovered in such action or proceeding a statement of the existence of the lien, the time of the filing of the notice in the action and the place where entered, and any abstract issued upon the judgment shall contain, in addition to the matters set forth in Sections 674 and 688.1 of the Code of Civil Procedure, a statement of the lien in favor of the director.

(g) Any lien, and any rights or causes of action under such lien, heretofore recorded in any county pursuant to former Section 1703 or filed with the Secretary of State pursuant to former Section 1703.5, shall continue in full force and effect for a period of 10 years from the date of last recordation or filing or extension thereof and may,

within such period of 10 years, be further extended in the manner provided for in subdivision (e) of this section. Upon recordation or filing of an extension, the lien shall have the same effect as a lien filed pursuant to this section. Such extended lien shall have the same priority as it originally had under the law in effect prior to January 1, 1978.

SEC. 72. Section 1703.5 of the Unemployment Insurance Code is repealed.

SEC. 73. Section 1704.5 of the Unemployment Insurance Code is amended to read:

1704.5. The director may release any lien imposed under Section 1703, or 1816 if he finds that the liability represented by the lien, including any interest accrued thereon, is legally unenforceable.

SEC. 74. Section 1755 of the Unemployment Insurance Code is amended to read:

1755. If any person or employing unit is delinquent in the payment of any contributions, penalties or interest provided for in this division, the director may, not later than three years after the payment became delinquent or within 10 years after the last entry of a judgment under Article 5 (commencing with Section 1815) of this chapter or within 10 years after the last recording or filing of a notice of state tax lien under Section 1703, collect the delinquency or enforce any liens by levy served either personally or by certified mail, to all persons having in their possession or under their control any credits or, with respect to a bank or savings and loan association, other personal property belonging to the delinquent person or employing unit, or owing any debts to such person or employing unit at the time of the receipt of the notice of levy. Any person upon whom a levy has been served having in his possession or under his control any credits, or with respect to a bank or savings and loan association other personal property, belonging to the delinquent person or employing unit or owing any debts to such person or employing unit at the time of the receipt of the levy, shall surrender such credits or other personal property to the director or pay to the director the amount of any debt owing the delinquent employer within five days of service of the levy. Any such person in possession of any credits or other personal property or owing any debts to the delinquent person or employing unit who surrenders such credits or other personal property or pays such debts owing the delinquent person or employing unit shall be discharged from any obligation or liability to the delinquent person or employing unit with respect to the credits or personal property surrendered or debts paid to the director. If the levy is made on a deposit or credits or other personal property in the possession or under the control of a bank or savings and loan association, the notice of levy shall be delivered or mailed to the branch or office of such bank or savings and loan association at which such deposit is carried or at which such credits or personal property is held.

SEC. 75. Section 1785 of the Unemployment Insurance Code is

amended to read:

1785. If any amount required to be paid under this division is not paid when due, the director or his authorized representative may, not later than three years after the payment became delinquent, or within 10 years after the last entry of a judgment under Article 5 of this chapter or within 10 years after the last recording or filing of a notice of state tax lien under Section 1703, issue a warrant for the enforcement of any liens and for the collection of any amount required to be paid to the state under this division. The warrant shall be directed to any sheriff, marshal or constable and shall have the same effect as a writ of execution. The warrant shall be levied and sale made pursuant to it in the same manner and with the same effect as a levy of and a sale pursuant to a writ of execution.

SEC. 76. Section 1815 of the Unemployment Insurance Code is amended to read:

1815. If any employing unit is delinquent in the payment of any contributions, penalties or interest provided for in this division, the director may, not later than 10 years after the payment became delinquent or within 10 years after the last entry of a judgment under this article or within 10 years after the last recording or filing of a notice of state tax lien under Section 1703, file in the Office of the County Clerk of Sacramento County, or with the county clerk of the county in which the employer has his principal place of business, a certificate specifying the amount of the contributions, interest and penalty due and the name and last known address of the employer liable therefor. The certificate shall also contain a statement that the director has complied with all the provisions of this division in relation to the computation and levy of the contributions, interest and penalty, and a request that judgment be entered against the employer in the amount set forth in the certificate. The county clerk immediately upon the filing of the certificate shall enter a judgment for the State of California against the employer in the amount set forth in the certificate. Such judgment may be filed by the county clerk in a looseleaf book entitled "Unemployment Contributions Judgments."

SEC. 77. Section 1816 of the Unemployment Insurance Code is amended to read:

1816. An abstract of a judgment secured pursuant to this article or a copy thereof may be recorded with the county recorder of any county and from the time of the recording, the amount of the judgment shall constitute a lien upon all the real property of the employer in that county, owned or acquired by him during the life of the lien. The lien shall have the force, effect and priority of a judgment lien and shall continue for 10 years after the last entry of a judgment under this article unless sooner released or otherwise discharged. The lien may, within 10 years after the last entry of a judgment under this article or within 10 years from the date of the last extension of the lien, be extended by recording a new abstract in the office of the county recorder of any county and from the time

of such recording, the lien shall be extended to all the real property in such county for 10 years unless sooner released or otherwise discharged. Execution shall issue upon such a judgment upon request of the director in the same manner as execution may issue upon other judgments and sales shall be held under such execution as prescribed in the Code of Civil Procedure. In all proceedings under this section the director or his authorized agents may act on behalf of the state.

SEC. 78. Section 1852 of the Unemployment Insurance Code is amended to read:

1852. In addition to any other collection procedures authorized in this division, the director may bring an action in the courts of this or any other state or of the United States, in the name of the State of California, to collect the amount of any delinquent employer or worker contributions together with penalties and interest. No such action shall be commenced later than:

(a) Three years after the date on which any amount due on a return filed by an employing unit or on an assessment made by the director becomes delinquent.

(b) Ten years after:

(1) The date on which a judgment is last entered under Article 5 of this chapter.

(2) The date on which a notice of state tax lien is last recorded or filed under Section 1703.

SEC. 79. This act shall become operative on July 1, 1978.

CHAPTER 482

An act to add Section 106.5 to the Business and Professions Code, relating to board members.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 106.5 is added to the Business and Professions Code, to read:

106.5. Notwithstanding any other provision of law, the Governor may remove from office a member of a board or other licensing entity in the department if it is shown that such member has knowledge of the specific questions to be asked on the licensing entity's next examination and directly or indirectly discloses any such question or questions in advance of or during the examination to any applicant for that examination.

The proceedings for removal shall be conducted in accordance with the provisions of Chapter 5 of Part 1 of Division 3 of Title 2 of the Government Code, and the Governor shall have all the powers granted therein.

CHAPTER 483

An act making an appropriation to reimburse local agencies for costs incurred in the preparation of inundation maps.

[Approved by Governor September 2, 1977. filed with Secretary of State September 3, 1977.]

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

SECTION 1. The sum of twelve thousand four hundred ninety-six dollars and ninety-one cents ($12,496.91) is hereby appropriated from the General Fund to the State Controller for disbursement to reimburse local agencies for costs incurred in the preparation of inundation maps pursuant to Section 8589.5 of the Government Code, in accordance with the following schedule:

(a) City of Calistoga $4,272.58
(b) City of Napa $6,211.00
(c) Browns Valley Irrigation District $2,013.33

SEC. 2. The funds to be reimbursed pursuant to this act shall be paid by the State Controller upon presentation of claims and satisfactory evidence of costs incurred by local agencies in the preparation of inundation maps pursuant to Section 8589.5 of the Government Code.

CHAPTER 484

An act to amend Sections 12705, 12706, 12743, 12744, 12775, and 12776 of the Business and Professions Code, relating to weighmasters, and making an appropriation therefor.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 12705 of the Business and Professions Code is amended to read:

12705. A public weighmaster shall pay to the department a license fee of fifty dollars ($50) for each fiscal year or any part thereof for the principal place of business and an additional fee of twenty dollars ($20) for each additional location where service as a public weighmaster is rendered.

Location, for the purpose of this section, means a premise on which weighing, measuring, or counting devices are installed, and which is operated as a single business unit in the rendering of services by a public weighmaster.

SEC. 2. Section 12706 of the Business and Professions Code is amended to read:

12706. Public weighmasters shall pay an additional license fee of ten dollars ($10) for each fiscal year or part thereof for each deputy public weighmaster. For such fee the department shall issue a deputy public weighmaster's license.

SEC. 3. Section 12743 of the Business and Professions Code is amended to read:

12743. A private weighmaster shall pay to the department a license fee of fifty dollars ($50) for each fiscal year or any part thereof for the principal place of business and an additional fee of twenty dollars ($20) for each additional location where service as a private weighmaster is rendered.

"Location," for the purposes of this section, means a premise on which weighing, measuring, or counting devices are installed, and which is operated as a single business unit in the rendering of services by a private weighmaster.

SEC. 4. Section 12744 of the Business and Professions Code is amended to read:

12744. Private weighmasters shall pay a license fee of ten dollars ($10) for each fiscal year or part thereof for each deputy weighmaster and the department shall issue a license therefor.

SEC. 5. Section 12775 of the Business and Professions Code is amended to read:

12775. Each public weighmaster at large shall pay a license fee of two hundred dollars ($200) for each fiscal year, or any part thereof, to the department. Such fee of two hundred dollars ($200) shall entitle the public weighmaster at large to render service as a public weighmaster at a principal location and at any temporary and indefinite locations as may be required by him in the pursuit of his business as a public weighmaster at large.

SEC. 6. Section 12776 of the Business and Professions Code is amended to read:

12776. Public weighmasters at large shall pay an additional license fee of ten dollars ($10) for each fiscal year or part thereof for each deputy public weighmaster at large and for such fee the department shall issue a deputy public weighmaster at large license.

CHAPTER 485

An act to amend Section 11656.6 of the Insurance Code, relating to workers' compensation for sheltered workshops.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 11656.6 of the Insurance Code is amended to read:

11656.6. An insurer may issue a workers' compensation policy insuring an organization or association of employers as a group if such organization or association complies with the following conditions:

(a) Files with the commissioner or a licensed workers' compensation rating organization designated by him:

(1) A copy of its articles of incorporation and bylaws or its agreement of association and rules and regulations governing the conduct of its business, all certified by the custodian of the originals thereof;

(2) A statement setting forth its reasons for desiring insurance as a group;

(3) A statement certifying that at least 75 percent of its regular membership is engaged in a common trade or business, and an agreement that such percentage of membership will be maintained during such time as a group workers' compensation policy issued to such organization or association is in force;

(4) An agreement that only those members who are engaged in a common trade or business shall be named by the organization or association in any statement to the commissioner, a licensed workers' compensation rating organization or insurer as eligible for insurance as a member of the group, and an agreement that it will immediately notify its insurer if any member of such organization fails to remain a member in good standing in accordance with the basic law, rules and regulations of such organization or association;

(5) A statement in writing undertaking to establish and maintain a safety committee which by education and otherwise will seek to reduce the incidence and severity of accidents.

(6) An agreement in writing duly executed guaranteeing that, if the insurer notifies the organization or association of the nonpayment of a premium by an insured member of the organization or association within 60 days after the premium was due, the organization or association will pay to the insurer the amount of any past due premium which does not exceed the amount of the dividends that are due to the organization or association or its members from the insurer. The organization or association shall promptly notify the insurer of the known insolvency of any member of the group plan, and shall request upon learning of such insolvency, removal of the member from the group plan. A copy of the resolution of the governing board of such organization or association authorizing the execution of the guarantee agreement shall be filed with the commissioner or a licensed workers' compensation rating organization designated by him and with any insurer issuing a group policy.

(b) "Common trade or business" as used in this article shall mean:

(1) In agricultural enterprises, operations in which the principal payroll of the employer develops under any combination of the classifications of the Manual of Rules, Classifications and Basic Rates

of Workers' Compensation Insurance approved by the Insurance Commissioner as applicable to farms; nurserymen; cultivating or gardening of flowers; and classifications embracing such other operations as may be conducted by a nonprofit cooperative association composed of producer members and combinations of nonprofit cooperative agricultural marketing associations having a central organization composed of member associations.

(2) In the building and construction industry, operations in the construction or repair of commercial or residential buildings or in general engineering construction in which the principal payroll develops under any combination of the classifications applicable to such construction or repair as they appear in the Manual of Rules, Classifications and Basic Rates for Workers' Compensation Insurance approved by the Insurance Commissioner. Commercial buildings as defined in this subsection shall mean any nonresidential buildings.

(3) In the transportation and warehousing industry, operations in which the principal payroll of the employer develops under any combination of the classifications of the Manual of Rules, Classifications and Basic Rules of Workers' Compensation Insurance approved by the Insurance Commissioner as applicable to for-hire motor carriers and warehousemen subject to regulation by the California Public Utilities Commission.

(4) In the timber and lumber industry, operations in which the principal payroll of the employer develops under any combination of the classifications of the Manual of Rules, Classification and Basic Rules of Workers' Compensation Insurance approved by the Insurance Commissioner as applicable to land clearing; logging or lumbering; log, chip, and lumber hauling; planing or molding mills; sawmills or shingle mills; veneer or veneer products manufacturing; box or box shook manufacturing; cabinet works; door, door frame or sash manufacturing and wood fiber preparation. However, no classification applicable to for-hire motor carriers under the provisions of paragraph (3) of this subdivision shall be included in any combination of classifications authorized by this paragraph.

(5) For public agencies providing industrial, domestic, or agricultural water service, operations in which the principal payroll of the employer develops under any combination of the classifications of the Manual of Rules, Classification and Basic Rules of Workers' Compensation Insurance approved by the Insurance Commissioner as applicable to irrigation, drainage, reclamation or waterworks operations.

(6) For sheltered workshops and rehabilitation facilities licensed pursuant to Section 1191.5 of the Labor Code, operations in which the principal payroll of the employer develops under any combination of classifications of the Manual of Rules, Classification and Basic Rules of Workers' Compensation Insurance approved by the Insurance Commissioner.

(7) For all other enterprises, operations in which the principal payroll develops under a single manual classification.

(c) "Principal payroll," for the purpose of this section, means not less than 51 percent of the total payroll for the preceding policy year or in the case of an employer who has no preceding full year's payroll, not less than 51 percent of his estimated annual payroll.

CHAPTER 486

An act to amend Section 5560 of the Public Resources Code, and to amend Sections 22651, 22655, and 22656 of the Vehicle Code, relating to regional park districts.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 5560 of the Public Resources Code is amended to read:

5560. Any violation of any ordinance, rule, or regulation lawfully made by the board which prescribes any speed limit for boats or motor vehicles (other than an ordinance, rule, or regulation which provides that no boat or vehicle shall be operated or driven at a speed greater than is reasonable or prudent or at a speed which endangers the safety of persons, property, or wildlife), which regulates parking of motor vehicles, or which prohibits the abandonment of motor vehicles, is punishable as an infraction. Any other violation of any ordinance, rule, or regulation lawfully made by the board is punishable as a misdemeanor. Any judge of a justice court within any judicial district lying wholly or in part within the district, or any municipal court which may be established within the district, shall have jurisdiction of all prosecutions under this article for violations of any ordinances, rules, or regulations adopted by the board of directors of any district.

SEC. 2. Section 22651 of the Vehicle Code is amended to read:

22651. Any member of the California Highway Patrol or any regularly employed and salaried deputy of the sheriff's office of a county in which a vehicle is located or any regularly employed and salaried officer of a police department in a city in which a vehicle is located, or any regularly employed and salaried officer of the University of California Police Department on or about a campus or in or about other grounds or properties owned, operated, controlled or administered by the Regents of the University of California on or in which a vehicle is located, or any regularly employed and salaried officer of a California state university and college police department on or about a campus or in or about other grounds or properties owned, operated, controlled or administered by the Trustees of the California State University and Colleges on or in which a vehicle is located, or any police officer appointed or employed by the board of

directors of a regional park district on or about lands, grounds, or properties owned, operated, or administered by the regional park district on or in which a vehicle is located, may remove a vehicle from a highway under the following circumstances:

(a) When any vehicle is left unattended upon any bridge, viaduct or causeway or in any tube or tunnel where the vehicle constitutes an obstruction to traffic.

(b) When any vehicle is left standing upon a highway in such a position as to obstruct the normal movement of traffic or in such a condition as to create a hazard to other traffic upon the highway.

(c) When any vehicle is found upon a highway and report has previously been made that the vehicle has been stolen or complaint has been filed and a warrant thereon issued charging that the vehicle has been embezzled.

(d) When any vehicle is illegally parked so as to block the entrance to a private driveway and it is impractical to move such vehicle from in front of the driveway to another point on the highway.

(e) When any vehicle is illegally parked so as to prevent access by firefighting equipment to a fire hydrant and it is impracticable to move such vehicle from in front of the fire hydrant to another point on the highway.

(f) When any vehicle, except any highway maintenance or construction equipment, is left unattended for more than four hours upon the right-of-way of any freeway which has full control of access and no crossings at grade.

(g) When the person or persons in charge of a vehicle upon a highway are by reason of physical injuries or illness incapacitated to such an extent as to be unable to provide for its custody or removal.

(h) When an officer arrests any person driving or in control of a vehicle for an alleged offense and the officer is by this code or other law required or permitted to take and does take the person arrested before a magistrate without unnecessary delay.

(i) When any vehicle registered in a foreign jurisdiction is found upon a highway and it is known to have been issued five or more notices of parking violation over a period of five or more days, to which the owner or person in control of the vehicle has failed to respond, the vehicle may be impounded until such person furnishes to the impounding police agency evidence of his identity and an address within this state at which he can be located. A notice of a parking violation issued to such vehicle shall be accompanied by a warning that repeated violations may result in the vehicle being impounded.

(j) When any vehicle is found illegally parked and there are no license plates or other evidence of registration displayed the vehicle may be impounded until the owner or person in control of the vehicle furnishes the impounding police agency evidence of his identity and an address within this state at which he can be located.

SEC. 3. Section 22655 of the Vehicle Code is amended to read:

22655. When any member of the California Highway Patrol, or any

regularly employed and salaried officer of a police department in a city, or sheriff's department authorized to enforce the provisions of this code pursuant to Section 26613 of the Government Code, or any regularly employed and salaried officer of the California State Police on or about state grounds or properties, or any regularly employed and salaried officer of the University of California Police Department on or about a campus or in or about other grounds or properties owned, operated, controlled or administered by the Regents of the University of California, or any regularly employed and salaried officer of a California state university and college police department on or about a campus or in or about other grounds or properties owned, operated, controlled or administered by the Trustees of the California State University and Colleges, or any police officer appointed or employed by the board of directors of a regional park district on or about lands or properties owned, operated, or administered by the regional park district, has reasonable cause to believe that a motor vehicle on a highway has been involved in a hit-and-run accident, and the operator of the vehicle has failed to stop and comply with the provisions of Sections 20002, through 20006, inclusive, the officer may remove the vehicle from the highway for the purpose of inspection. Unless sooner released, the vehicle shall be released upon the expiration of 24 hours after such removal from the highway upon demand of the owner.

SEC. 4. Section 22656 of the Vehicle Code is amended to read:

22656. Any member of the California Highway Patrol, or any regularly employed and salaried deputy of the sheriff's office of a county in which a vehicle is located, or any regularly employed and salaried officer of a police department in a city in which a vehicle is located, or any regularly employed and salaried officer of the California State Police on or about state grounds or properties on or in which a vehicle is located, or any regularly employed and salaried officer of the University of California Police Department on or about a campus or in or about other grounds or properties owned, operated, controlled or administered by the Regents of the University of California on or in which a vehicle is located, or any regularly employed and salaried officer of a California state university or college police department on or about a campus or in or about other grounds or properties owned, operated, controlled or administered by the Trustees of the California State University and Colleges on or in which a vehicle is located, or any regularly employed and salaried officer of a transit district security force on or about parking lots owned by the transit district or in or about other grounds or properties owned, operated, controlled or administered by the board of directors of the transit district on or in which a vehicle is located, or any police officer appointed or employed by the board of directors of a regional park district on or about lands or properties owned, operated, or administered by such regional park district on or in which a vehicle is located, may remove a vehicle from a railroad right-of-way if the vehicle is parked upon any railroad

track or within 7½ feet of the nearest rail.

CHAPTER 487

An act to amend Sections 18212, 18290, 18497, 18586, 18587, and 18592 of, to add Sections 18021 and 18060 to, and to repeal Sections 18021, 18060, 18612, 18661, 18945, and 18986 of, the Financial Code, relating to industrial loan companies.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 18021 of the Financial Code is repealed.

SEC. 2. Section 18021 is added to the Financial Code, to read:

18021. An industrial loan company shall not deposit its funds except with a bank, trust company, or savings and loan association authorized to do business in this state which has been approved by a majority vote of the board of directors or the executive committee, exclusive of the vote of any director who is an officer, director, trustee, or shareholder of the depository so designated.

Upon request of the commissioner, an industrial loan company shall furnish an authorization for disclosure to the commissioner of financial records of such deposits pursuant to Section 7473 of the Government Code.

SEC. 3. Section 18060 of the Financial Code is repealed.

SEC. 4. Section 18060 is added to the Financial Code, to read:

18060. An industrial loan company which issues thrift certificates shall not use any thrift advertisement which refers to the industrial loan company's ownership by, or affiliation with, any other entity unless the advertisement also discloses in as prominent a manner and as large a type size as the referenced ownership or affiliation was stated, whether or not the owner or affiliate so named guarantees thrift certificates issued by the industrial loan company.

SEC. 5. Section 18212 of the Financial Code is amended to read:

18212. (a) The charges by an industrial loan company, broker, and all other persons on any loan, forbearance of money, credit, goods, or things in action under this division, shall not exceed in the aggregate:

(1) Two percent (2%) per month on that part of the unpaid principal balance of any loan up to, including, but not in excess of, seven hundred dollars ($700).

(2) One percent (1%) per month on any remainder of such unpaid principal balance in excess of seven hundred dollars ($700).

(b) As an alternative to the charges authorized by subdivision (a), a company may contract for and receive charges at a rate not exceeding 1½ percent per month on the unpaid principal balance.

SEC. 6. Section 18290 of the Financial Code is amended to read:

18290. An industrial loan company may provide and collect the costs for credit life insurance on the life of one or more of the borrowers and credit disability insurance to provide indemnity for payments becoming due on the indebtedness, with his or her consent, the form to be approved by the Commissioner of Insurance, and in an amount not in excess of the amount of the indebtedness. The amount charged to the borrower for such insurance shall not exceed, in the case of credit life insurance, the amount provided in (1) or (2) following, whichever is less, or, in the case of credit disability insurance, unless a regulation has been promulgated and established pursuant to Section 18412, in which case the amount charged shall not exceed the amount prescribed by such regulation, the amount provided in (1) following:

(1) The premium rate filed with the Commissioner of Insurance for the coverage provided pursuant to Article 5.9 (commencing with Section 799.1), Chapter 1, Part 2, Division 1 of the Insurance Code and which has not been disapproved by him, or

(2) Fifty cents ($0.50) per year per one hundred dollars ($100) of indebtedness (and in the same proportion for longer or shorter maturities and larger or smaller amounts) or such different maximum as is fixed by the Commissioner of Insurance by a valid and effective regulation hereafter adopted.

SEC. 7. Section 18497 of the Financial Code is amended to read:

18497. Guaranty Corporation may invest its funds only as provided by rules of the commissioner adopted with a view to preserving reasonable liquidity.

Upon request of the commissioner, Guaranty Corporation shall furnish an authorization for disclosure to the commissioner of financial records of such funds pursuant to Section 7473 of the Government Code.

SEC. 8. Section 18586 of the Financial Code is amended to read:

18586. The provisions of Sections 18023, 18024, 18120, 18136, 18205, 18268, 18269, 18271, 18272, 18273, 18274, and 18455 shall not apply to a premium finance agency.

SEC. 9. Section 18587 of the Financial Code is amended to read:

18587. The provisions of Sections 18566, 18567, 18607, 18625, 18626, 18628, and 18630 shall not apply to any bona fide loan with a principal amount of ten thousand dollars ($10,000) or more or to a premium finance agency in connection with such loan if the provisions of this section are not used for the purpose of evading this division.

SEC. 10. Section 18592 of the Financial Code is amended to read:

18592. Any downpayment which is made and which is received by the company from the insured, or from the insurance producer on behalf of the insured, shall be held by the company in trust for and in transit to the insurer, and shall be paid to the insurer, together with the balance of the premium payable pursuant to the terms of the premium finance agreement within 30 days from the effective date of the policy, or within 30 days after the receipt of a proper

premium finance agreement by the company, or within 15 days after the company has mailed to the insured notice of a revised finance agreement pursuant to Section 18606, whichever is later. In the event that the premium is paid to the insurance agent or broker of record, such agent or broker of record shall not be deemed the agent of the company by reason of such payment.

Upon request of the commissioner, the company shall furnish an authorization for disclosure to the commissioner of financial records of such trust accounts pursuant to Section 7473 of the Government Code.

SEC. 11. Section 18612 of the Financial Code is repealed.

SEC. 12. Section 18661 of the Financial Code is repealed.

SEC. 13. Section 18945 of the Financial Code is repealed.

SEC. 14. Section 18986 of the Financial Code is repealed.

CHAPTER 488

An act to amend Section 10850 of the Welfare and Institutions Code, relating to public social services.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 10850 of the Welfare and Institutions Code is amended to read:

10850. Except as otherwise provided in this section, all applications and records concerning any individual made or kept by any public officer or agency in connection with the administration of any provision of this code relating to any form of public social services for which grants-in-aid are received by this state from the United States government shall be confidential, and shall not be open to examination for any purpose not directly connected with the administration of such program, or any investigation, prosecution, or criminal or civil proceeding conducted in connection with the administration of any such program. The disclosure of any information which identifies by name or address any applicant for or recipient of such grants-in-aid to any committee or Legislature is prohibited.

Except as otherwise provided in this section, no person shall publish or disclose or permit or cause to be published or disclosed any list of persons receiving public social services. Any county welfare department in this state may release lists of applicants for, or recipients of, public social services, to any other county welfare department or the Department of Benefit Payments or the State Department of Health, and such lists or any other records shall be released when requested by any county welfare department or the

Department of Benefit Payments or the State Department of Health. Such lists or other records shall only be used for purposes directly connected with the administration of public social services. Except for such purposes, no person shall publish, disclose, or use or permit or cause to be published, disclosed, or used any confidential information pertaining to an applicant or recipient. However, this section shall not prohibit the furnishing of such information to other public agencies to the extent required for verifying eligibility or for other purposes directly connected with the administration of public social services, or to county superintendents of schools or superintendents of school districts only as necessary for the administration of federally-assisted programs providing assistance in cash or in-kind or services directly to individuals on the basis of need. Any person knowingly and intentionally violating the provisions of this paragraph is guilty of a misdemeanor.

The Department of Benefit Payments shall inform the Department of Motor Vehicles of the names, birth dates, and addresses of all applicants or recipients of aid to the blind. The Department of Motor Vehicles, upon receipt of such information, shall inform the Department of Benefit Payments of any such applicant or recipient of aid to the blind who holds a valid California driver's license.

The Department of Benefit Payments may make rules and regulations governing the custody, use and preservation of all records, papers, files and communications pertaining to the administration of the laws relating to public social services. The rules and regulations shall be binding on all departments, officials and employees of the state, or of any political subdivision of the state and may provide for giving information to or exchanging information with agencies, public or political subdivisions of the state, and may provide for giving information to or exchanging information with agencies, public or private, which are engaged in planning, providing or securing social services for or in behalf of recipients or applicants; and for making case records available for research purposes, provided, that such research will not result in the disclosure of the identity of applicants for or recipients of public social services.

Any person, including every public officer and employee, who knowingly secures or possesses, other than in the course of official duty, an official list or a list compiled from official sources, published or disclosed in violation of this section, of persons who have applied for or who have been granted any form of public social services for which state or federal funds are made available to the counties is guilty of a misdemeanor.

The provisions of this section shall be operative only to the extent permitted by federal law.

CHAPTER 489

An act to amend Sections 73682, 73683, and 73684 of, and to add Section 73697 to, the Government Code, relating to courts.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 73682 of the Government Code is amended to read:

73682. There shall be one clerk to be appointed by the judges of the court in the manner provided by law who shall be the clerk, administrator and secretary of the court. He shall receive a salary at range 728.

SEC. 2. Section 73683 of the Government Code is amended to read:

73683. (a) The clerk may appoint the following court personnel who shall receive a salary at the range indicated:

(1) Three chief deputy clerks at salary range 469.
(2) Ten court clerks at salary range 414.
(3) Eight deputy clerks II at salary range 414.
(4) Four deputy clerks I at salary range 331.
(5) One secretary at salary range 399.
(6) One stenographer-secretary at salary range 363.
(7) Two stenographers II at salary range 301.
(8) Two stenographers I at salary range 247.
(9) One supervising data entry operator at salary range 355.
(10) Four data entry operators II at salary range 283.
(11) Four data entry operators I at salary range 221.
(12) Twenty-two typist-clerks II at salary range 266.
(13) Twenty-two typist-clerks I at salary range 223.

(b) The clerk may appoint any combination of stenographers and secretaries described in paragraphs (5), (6), (7), and (8) of subdivision (a) not to exceed a total of two, may appoint any combination of typists described in paragraphs (12) and (13) of subdivision (a) not to exceed a total of 22, and may appoint any combination of data entry operators described in paragraphs (10) and (11) of subdivision (a) not to exceed a total of four.

SEC. 3. Section 73684 of the Government Code is amended to read:

73684. Whenever reference to a numbered salary range is made in any section of this article, the schedule found in the salary ordinance of the County of Fresno in effect April 1, 1977, shall apply.

Except as specifically provided in this article to the contrary, all benefits, privileges and other provisions affecting the employment of county employees shall apply to all officers and attachés of the municipal court.

SEC. 4. Section 73697 is added to the Government Code, to read:

73697. Notwithstanding the provisions of Article 4 (commencing

with Section 72150) and the provisions of this article, whenever the business of the court or other emergency requires a greater number of employees or a reclassification of employees in order to effectively carry out the duties and functions of the court, the clerk may, with the approval of the board of supervisors, establish new positions or reclassify existing positions for officers, attachés, and employees in addition to those provided by this article. The order and approval establishing such position shall designate the position title and salary range.

The employees so appointed or reclassified shall be appointed or classified to positions and salary ranges as provided in the then current Fresno County salary and classification structure. Appointments made pursuant to this section shall be effective only until January 1 of the second calendar year after the calendar year in which the appointments are made, unless ratified by the Legislature.

SEC. 5. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because this act is in accordance with the request of a local governmental entity or entities which desire legislative authority to act and to carry out the program specified in this act.

CHAPTER 490

An act to amend Sections 286 and 288a of the Penal Code, relating to sexual assault.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977]

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

SECTION 1. Section 286 of the Penal Code is amended to read:

286. (a) Sodomy is sexual conduct consisting of contact between the penis of one person and the anus of another person.

(b) (1) Any person who participates in an act of sodomy with another person who is under 18 years of age shall be punished by imprisonment in the state prison, or in a county jail for a period of not more than one year.

(2) Any person over the age of 21 years who participates in an act of sodomy with another person who is under 16 years of age shall be guilty of a felony.

(c) Any person who participates in an act of sodomy with another person who is under 14 years of age and more than 10 years younger than he, or who has compelled the participation of another person in an act of sodomy by force, violence, duress, menace, or threat of great bodily harm, shall be punished by imprisonment in the state

prison for two, three, or four years.

(d) Any person who, while voluntarily acting in concert with another person, either personally or by aiding and abetting such other person, commits an act of sodomy by force or violence and against the will of the victim shall be punished by imprisonment in the state prison for three, four or five years.

(e) Any person who participates in an act of sodomy with any person of any age while confined in any state prison, as defined in Section 4504, or in any local detention facility as defined in Section 6031.4, shall be punished by imprisonment in the state prison, or in a county jail for a period of not more than one year.

(f) Any person who commits an act of sodomy, and the victim is at the time unconscious of the nature of the act and this is known to the person committing the act, shall be punished by imprisonment in the state prison, or in a county jail for a period of not more than one year.

SEC. 2. Section 288a of the Penal Code is amended to read:

288a. (a) Oral copulation is the act of copulating the mouth of one person with the sexual organ of another person.

(b) (1) Any person who participates in an act of oral copulation with another person who is under 18 years of age shall be punished by imprisonment in the state prison, or in a county jail for a period of not more than one year.

(2) Any person over the age of 21 years who participates in an act of oral copulation with another person who is under 16 years of age shall be guilty of a felony.

(c) Any person who participates in an act of oral copulation with another person who is under 14 years of age and more than 10 years younger than he, or who has compelled the participation of another person in an act of oral copulation by force, violence, duress, menace, or threat of great bodily harm, shall be punished by imprisonment in the state prison for two, three or four years.

(d) Any person who, while voluntarily acting in concert with another person, either personally or by aiding and abetting such other person, commits an act of oral copulation by force or violence and against the will of the victim shall be punished by imprisonment in the state prison for three, four or five years.

(e) Any person who participates in an act of oral copulation while confined in any state prison, as defined in Section 4504 or in any local detention facility as defined in Section 6031.4, shall be punished by imprisonment in the state prison, or in a county jail for a period of not more than one year.

(f) Any person who commits an act of oral copulation, and the victim is at the time unconscious of the nature of the act and this is known to the person committing the act, shall be punished by imprisonment in the state prison, or in a county jail for a period of not more than one year.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that

section nor shall there be any appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local government entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 491

An act to repeal Section 12254 of the Water Code, relating to recreation lands.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 12254 of the Water Code is repealed.

CHAPTER 492

An act to amend Section 90002 of the Government Code, relating to campaign audits.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 90002 of the Government Code is amended to read:

90002. (a) Audits and investigations of all lobbyists shall be performed annually and shall cover all reports and statements filed since the previous audit and investigation.

(b) No audit or investigation of any candidate or committee in connection with a report or statement required by Chapter 4 of this title, other than a report or statement required by Section 84206, shall begin until after the last date for filing the first report or statement following the general or special election for the office for which the candidate ran, or following the election at which the measure was adopted or defeated, except that audits and investigations of candidates or committees supporting candidates who were defeated in the primary election and who are not required to file statements in connection with the general election may begin after the last date for filing the first report or statement following the primary election. When the campaign statements of a candidate or a committee supporting a candidate are audited and investigated, the audit and

investigation shall cover all campaign statements filed in connection with the primary and general or special elections and any previous campaign statement filed pursuant to Section 84206 since the last campaign statement filed in connection with an election.

(c) The Franchise Tax Board shall determine from its audit and investigation if there is probable cause to believe that any candidate, committee or proponent of a state measure has exceeded the limitations provisions of Chapter 5. Except for findings relating to candidates for and committees supporting or opposing candidates for the office of the Attorney General, any such finding shall be reported to the commission and the Attorney General. Findings related to candidates for and committees supporting or opposing candidates for the office of Attorney General shall be reported to the commission and the District Attorneys of Los Angeles, Sacramento and San Francisco Counties.

SEC. 2. The Legislature finds and declares that the provisions of this act further the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of Section 81012 of the Government Code.

CHAPTER 493

An act to amend Section 6555 of the Elections Code, and to repeal Section 4 of Chapter 454 of the Statutes of 1974, relating to elections.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977]

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

SECTION 1. Section 6555 of the Elections Code is amended to read:

6555. (a) Notwithstanding any other provision of this article, a candidate may submit a petition containing signatures of registered voters in lieu of a filing fee as follows:

(1) For the office of California State Assembly, 1,500 signatures.

(2) For the office of California State Senate and the United States House of Representatives, 3,000 signatures.

(3) For candidates running for statewide office, 10,000 signatures.

(4) For all other offices for which a filing fee is required, if the number of registered voters in the district in which he seeks nomination is 2,000 or more, a candidate may submit a petition containing four signatures of registered voters for each dollar of the filing fee, or 10 percent of the total of registered voters in the district in which he seeks nomination, whichever is less.

(5) For all other offices for which a filing fee is required, if the number of registered voters in the district in which he seeks nomination is less than 2,000, a candidate may submit a petition

containing four signatures of registered voters for each dollar of the filing fee, or 20 percent of the total of registered voters in the district in which he seeks nomination, whichever is less.

(6) Notwithstanding any other provision of this section, a candidate seeking the nomination of a qualified party with whom he is registered, the registered voters of which who were eligible to vote at the last statewide election constituted less than 5 percent of all registered voters eligible to vote at the last statewide election, may submit a petition containing signatures of 10 percent of the registered voters of that party in the district in which he seeks nomination, or 150 signatures, whichever is less.

(7) A voter may sign both a candidate's nomination papers and his or her in-lieu-filing-fee petition.

(b) Each clerk shall furnish to each candidate, upon request, and without charge therefor, forms for securing signatures. Such forms shall be made available commencing 45 days before the first day for circulating nomination papers. No other form except the form furnished by the county clerk shall be used to secure signatures. The substitution of signatures for fees shall be subject to the following provisions:

(1) Any registered voter may sign an in-lieu-filing-fee petition for any candidate for whom he is eligible to vote.

(2) If a voter signs more candidates' petitions than there are offices to be filled, the voter's signatures shall be valid only on those petitions which, taken in the order they were filed, do not exceed the number of offices to be filled.

(3) In-lieu-filing-fee petitions shall be filed at least 15 days prior to the close of the nomination period. Upon receipt of the minimum number of in-lieu-filing-fee signatures required, or a sufficient combination of such signatures and pro rata filing fee, the clerk shall issue nomination papers provisionally. Within 10 days after receipt of a petition, the clerk shall notify the candidate of any deficiency. The candidate shall then, prior to the close of the nomination period, either submit a supplemental petition, or pay a pro rata portion of the filing fee, to cover the deficiency.

(4) If the petition is circulated for an office in more than one county, the candidate shall submit the signatures to the county clerk in the county in which the petition was circulated. The county clerk shall at least two days after verifying the signatures on the petition, notify the Secretary of State of the total number of valid signatures. If the number of signatures is insufficient, the Secretary of State shall notify the candidate and the county clerks of the fact. The candidate may submit the necessary number of valid signatures at any time prior to the close of the period for circulating nomination papers. Each circulator of an in-lieu-filing-fee petition shall have the qualifications required under Section 42.

(5) Each candidate may submit a greater number of signatures to allow for subsequent losses due to invalidity of some signatures. The clerk shall not be required to determine the validity of a greater

number of signatures than that required by this section.

(c) For the purposes of this section, the requisite number of signatures shall be computed from the latest registration figures forwarded to the Secretary of State pursuant to Section 607.

SEC. 2. Section 4 of Chapter 454 of the Statutes of 1974 is repealed.

CHAPTER 494

An act to repeal Section 706.1 of, and to repeal and add Sections 1304, 1305, 1306, 1307, 1308, and 1309 of, the Elections Code, relating to elections.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 706.1 of the Elections Code is repealed.

SEC. 2. Section 1304 of the Elections Code is repealed.

SEC. 3. Section 1304 is added to the Elections Code, to read:

1304. Any person described in Section 1303 who desires to register and vote under the provisions of this chapter shall apply in writing to the clerk of the county in which such person was last domiciled prior to departure from the United States.

SEC. 4. Section 1305 of the Elections Code is repealed.

SEC. 5. Section 1305 is added to the Elections Code, to read:

1305. Upon receipt of an application for registration or for an absent voter ballot by a person who meets the requirements of Section 1303 the county clerk shall determine the following:

(a) That the last domicile of the applicant in the United States was in the county to which the person has applied. If the last domicile of the applicant in the United States was in another county, the clerk shall forward the application to that county.

(b) That the applicant is not currently registered. If the applicant is registered as a resident of the county as defined by Section 200, the clerk shall cancel the affidavit of registration.

SEC. 6. Section 1306 of the Elections Code is repealed.

SEC. 7. Section 1306 is added to the Elections Code, to read:

1306. As soon as the absent voter ballots for a federal election are available, the county clerk shall mail or deliver a ballot to each person who has requested registration as an overseas voter since the last regularly scheduled federal election. If the overseas voter has not correctly completed and returned a federal application for an absentee ballot or a special affidavit of registration as an overseas voter since the last regularly scheduled federal election the clerk shall enclose an affidavit with the ballot.

The affidavits of registration mailed or delivered pursuant to this

section shall conform to Section 506 of this code, except as modified, pursuant to regulations adopted by the Secretary of State, to reflect the requirements of this chapter.

Absent voter ballots mailed or delivered pursuant to this section shall be modified pursuant to regulations adopted by the Secretary of State so as to show only those offices for which the overseas resident is entitled to vote.

The overseas voter shall be informed of the following:

(a) That the affidavit must be correctly completed and returned with the ballot in order for the vote to be tallied.

(b) That the voter's registration will be valid through the next general election, and that the ballots for these elections will be sent to the voter at the mailing address provided by the voter, but that following the general election, the voter must reapply in order to again receive an overseas voter ballot.

SEC. 8. Section 1307 of the Election Code is repealed.

SEC. 9. Section 1307 is added to the Elections Code, to read:

1307. Upon timely receipt of the affidavit of registration and the voted absentee ballot, the county clerk shall examine the affidavit to ascertain that it is properly executed in accordance with the provisions of this code and that the applicant is a qualified elector of the county. If the county clerk is satisfied of these facts, the applicant shall be deemed a duly registered voter as of the date appearing on the affidavit to the same extent and with the same effect as though he had registered in proper time prior to the election.

SEC. 10. Section 1308 of the Elections Code is repealed.

SEC. 11. Section 1308 is added to the Elections Code, to read:

1308. If an overseas ballot is returned to the county clerk with an improperly completed affidavit or without the affidavit, and the voter has not completed an overseas voter affidavit or a federal absentee voter application since the last general election, the ballot shall be canceled and shall not be tallied.

SEC. 12. Section 1309 of the Elections Code is repealed.

SEC. 13. Section 1309 is added to the Elections Code, to read:

1309. Applications for the ballots of overseas voters shall be received and their ballots shall be received and canvassed at the same time and under the same procedure as absent voter ballots, insofar as that procedure is not inconsistent with the provisions of this chapter.

CHAPTER 495

An act to add Sections 51254 and 51255 to the Government Code, and to amend Section 426 of the Revenue and Taxation Code, relating to land conservation.

[Approved by Governor September 2, 1977. Filed with

Secretary of State September 3, 1977.]

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

SECTION 1. Section 51254 is added to the Government Code, to read:

51254. Notwithstanding any other provision of this chapter, the parties may upon their mutual agreement rescind a contract in order simultaneously to enter into a new contract pursuant to this chapter, which new contract would enforceably restrict the same property for an initial term at least as long as the unexpired term of the contract being so rescinded but not less than 10 years. Such action may be taken notwithstanding the prior serving of a notice of nonrenewal relative to the former contract.

SEC. 1.5. Section 51255 is added to the Government Code, to read:

51255. Notwithstanding any other provision of this chapter, the parties may upon their mutual agreement rescind a contract in order simultaneously to enter into an open-space easement agreement pursuant to the Open-Space Easement Act of 1974, commencing with Section 51070, which easement would enforceably restrict the same property for an initial term of not less than 10 years. Such action may be taken notwithstanding the prior serving of a notice of nonrenewal.

SEC. 2. Section 426 of the Revenue and Taxation Code is amended to read:

426. Notwithstanding any provision of Section 423 to the contrary, if either the county or city or the owner of land subject to contract, agreement, scenic restriction, or open-space easement has served notice of nonrenewal as provided in Sections 51091 or 51245 of the Government Code, the board, for purposes of surveys required by Section 1815, and the county assessors shall, unless the parties shall have subsequently rescinded such contract pursuant to Section 51254 or 51255 of the Government Code, value such land as provided in this section.

(a) If the owner of land serves notice of nonrenewal or the county or city serves notice of nonrenewal and the owner fails to protest as provided in Section 51091 or 51245 of the Government Code, subdivision (b) shall apply immediately. If the county or city serves notice of nonrenewal and the owner does protest as provided in Sections 51091 or 51245 of the Government Code, subdivision (b) shall apply when less than six years remain until the termination of the period for which the land is enforceably restricted.

(b) Where any of the conditions in subdivision (a) apply, the board or assessor in each year until the termination of the period for which the land is enforceably restricted shall:

(1) Determine the full cash value of the land as if it were not enforceably restricted;

(2) Determine the value of the land by capitalization of income as

provided in Section 423 and without regard to the existence of any of the conditions in subdivision (a);

(3) Subtract the value determined in subdivision (b) (2) by capitalization of income from the full cash value determined in subdivision (b) (1);

(4) Using the rate announced by the board pursuant to subdivision (b) (1) of Section 423, discount the amount obtained in subdivision (b) (3) of this section for the number of years remaining until the termination of the period for which the land is enforceably restricted;

(5) Determine the value of the land by adding the value determined by capitalization of income as provided in subdivision (b) (2) and the value obtained in subdivision (b) (4); and

(6) Apply the ratio prescribed in Section 401 to the value of the land determined in subdivision (b) (5) to obtain its assessed value.

CHAPTER 496

An act to amend Sections 8751 and 8778 of the Health and Safety Code, relating to cemeteries.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 8751 of the Health and Safety Code is amended to read:

8751. The funds shall be invested and reinvested, and kept invested in:

(a) Bonds of the United States or this state, or of any county, city and county, or city in this state.

(b) Bonds legal for investment for savings banks in this state.

(c) First mortgages or first trust deeds on improved real estate.

(d) Income producing improved real estate in any city or city and county in this state.

(e) Investment certificates in any savings and loan association organized, existing and doing business under the laws of this state.

(f) Investments of the type enumerated for domestic incorporated insurers in Article 3, Chapter 2, Part 2, of Division 1 of the Insurance Code of this state.

(g) By deposit in a bank which is insured by the Federal Deposit Insurance Corporation.

(h) Shares of a duly chartered and insured federal savings and loan association.

SEC. 2. Section 8778 of the Health and Safety Code is amended to read:

8778. (a) The following shall be eligible investments for all

special care trusts:

(1) Bonds of the United States or this state, or of any county, city or city and county in this state.

(2) Bonds which are legal investments for commercial banks in this state.

(3) Certificates of deposit or other interest-bearing accounts in any bank in this state insured by the Federal Deposit Insurance Corporation.

(4) Investment certificates or shares in any state or federally chartered savings and loan association insured by the Federal Savings and Loan Insurance Corporation.

(5) Investments in first trust deeds on improved real estate, provided such loans require monthly amortization of principal and interest and are fully amortized within 30 years or the term of the loan, whichever comes first. No loan shall be made to the cemetery authority; director, officer, or stockholder of a cemetery authority, or trustees of the special care funds; or partners, relatives, agents, or employees thereof.

(b) With respect only to special care trusts created by irrevocable agreement, any investment which is lawful for endowment care funds under Sections 8751 and 8751.1 shall also be a lawful investment for such special care trusts.

CHAPTER 497

An act relating to the Los Angeles Community College District, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 2, 1977 Filed with Secretary of State September 3, 1977]

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

SECTION 1. Notwithstanding Section 81178 of the Education Code, the governing board of the Los Angeles Community College District may continue the use of two school buildings of the Los Angeles City College, together with all structures and facilities essential to the operation thereof, which have been determined to be unsafe pursuant to Section 81162 of the Education Code, until June 30, 1979. In no event shall the district use such facilities for a period extending beyond the completion of the replacement of facilities or beyond June 30, 1979, whichever occurs first. The provisions of this section shall apply to portable buildings as well as permanent buildings, so long as such portable buildings are needed to meet temporary housing needs of the district until the repair, reconstruction or replacement of the unsafe building is complete.

SEC. 2. Due to the unique circumstances concerning the construction of replacement school facilities for the Los Angeles

Community College District, and the limited nature of the exemption provided for in Section 1 of this act, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the Constitution.

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

The purpose of this act is to grant the Los Angeles Community College District a reasonable extension, until June 30, 1979, to continue to occupy two school buildings of the Los Angeles City College which fail to comply with earthquake safety standards prescribed by the so-called Field Act, while new facilities are being completed to replace those buildings. In order that the provisions of this act may be made effective during the periods prescribed, it is necessary that the act go into immediate effect.

CHAPTER 498

An act to amend Section 27491 of the Government Code, and to add Section 5328.8 to the Welfare and Institutions Code, relating to coroners, and making an appropriation therefor.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977]

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

SECTION 1. Section 27491 of the Government Code is amended to read:

27491. It shall be the duty of the coroner to inquire into and determine the circumstances, manner, and cause of all violent, sudden or unusual deaths; unattended deaths; deaths wherein the deceased has not been attended by a physician in the 20 days before death; deaths related to or following known or suspected self-induced or criminal abortion; known or suspected homicide, suicide, or accidental poisoning; deaths known or suspected as resulting in whole or in part from or related to accident or injury either old or recent; deaths due to drowning, fire, hanging, gunshot, stabbing, cutting, exposure, starvation, acute alcoholism, drug addiction, strangulation, aspiration, or where the suspected cause of death is sudden infant death syndrome; death in whole or in part occasioned by criminal means; deaths associated with a known or alleged rape or crime against nature; deaths of patients in hospitals operated by the State Department of Health or any successor agency; deaths in prison or while under sentence; deaths known or suspected as due to contagious disease and constituting a public hazard; deaths from occupational diseases or occupational hazards;

deaths under such circumstances as to afford a reasonable ground to suspect that the death was caused by the criminal act of another, or any deaths reported by physicians or other persons having knowledge of death for inquiry by coroner. Inquiry in this section does not include those investigative functions usually performed by other law enforcement agencies.

In any case in which the coroner conducts an inquiry pursuant to this section, the coroner or a deputy shall personally sign the certificate of death.

The coroner shall have discretion to determine the extent of inquiry to be made into any death occurring under natural circumstances and falling within the provisions of this section, and if inquiry determines that the physician of record has sufficient knowledge to reasonably state the cause of a death occurring under natural circumstances, the coroner may authorize that physician to sign the certificate of death.

SEC. 2. Section 5328.8 is added to the Welfare and Institutions Code, to read:

5328.8. The State Department of Health, the physician in charge of the patient, or the professional person in charge of the facility or his designee, shall release all factual and clinical treatment information obtained in the course of providing services under Division 5 (commencing with Section 5000), Division 6 (commencing with Section 6000), or Division 7 (commencing with Section 7000), to the coroner when a patient dies from any cause, natural or otherwise, while hospitalized in a state mental hospital. Such information, when released to the coroner, shall remain confidential and shall be sealed and shall not be made part of the public record.

SEC. 3. The sum of thirty-seven thousand dollars ($37,000) is hereby appropriated from the General Fund to the State Controller for allocation and disbursement to local agencies pursuant to Section 2231 of the Revenue and Taxation Code to reimburse such agencies for costs incurred by them pursuant to this act.

CHAPTER 499

An act to add Chapter 13 (commencing with Section 493.010) to Title 6.5 of Part 2 of the Code of Civil Procedure, relating to attachment.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Chapter 13 (commencing with Section 493.010) is added to Title 6.5 of Part 2 of the Code of Civil Procedure, to read:

CHAPTER 13. EFFECT OF BANKRUPTCY PROCEEDINGS AND GENERAL ASSIGNMENTS FOR THE BENEFIT OF CREDITORS

493.010. As used in this chapter, "general assignment for the benefit of creditors" means an assignment which satisfies all of the following requirements:

(a) The assignment is an assignment of all the defendant's assets that are transferable and not exempt from execution.

(b) The assignment is for the benefit of all the defendant's creditors.

(c) The assignment does not itself create a preference of one creditor or class of creditors over any other creditor or class of creditors, but the assignment may recognize the existence of preferences to which creditors are otherwise entitled.

493.020. Notwithstanding any other provision of this title, the defendant may make a general assignment for the benefit of creditors.

493.030. (a) The making of a general assignment for the benefit of creditors terminates a lien of a temporary protective order or of attachment if the lien was created within four months prior to the making of the general assignment.

(b) The filing of a petition initiating a proceeding under the National Bankruptcy Act by or against the defendant terminates a lien of a temporary protective order or of attachment if the lien was created within four months prior to the filing of the petition unless the bankruptcy court orders the lien preserved for the benefit of the bankrupt estate.

(c) Subdivisions (a) and (b) do not apply unless all liens of attachment on the defendant's property in other states that were created within four months prior to the making of a general assignment for the benefit of creditors or the filing of a petition initiating a proceeding under the National Bankruptcy Act have terminated.

493.040. (a) Where a lien of attachment terminates pursuant to Section 493.030, the assignee under a general assignment for the benefit of creditors or, in the case of a bankruptcy, the trustee, receiver, or the debtor in possession if there is no trustee or receiver, may secure the release of the attachment by filing with the levying officer a request for release of attachment stating the grounds for release and describing the property to be released, executed under oath, together with a copy thereof.

(b) In the case of an assignee, the request shall include two copies of the general assignment for the benefit of creditors.

(c) In the case of a trustee, receiver, or debtor in possession, the request shall include a certified copy of the petition in bankruptcy, together with a copy thereof.

(d) If immediate release of the attachment is sought, the request shall be accompanied by an undertaking to pay the plaintiff any damages resulting from an improper release of the attachment, in the amount of the plaintiff's claim to be secured by the attachment, executed by a corporate surety possessing a certificate of authority from the Insurance Commissioner as provided by Section 1056.

(e) Within five days after the filing of the request for release of attachment, the levying officer shall mail to the plaintiff:

(1) A copy of the request for release of the attachment, including the copy of the document filed pursuant to subdivision (b) or (c).

(2) If an undertaking has not been given, a notice that the attachment will be released pursuant to the request for release of attachment unless otherwise ordered by a court within 10 days after the date of mailing the notice.

(3) If an undertaking has been given, a notice that the attachment has been released.

(f) Unless otherwise ordered by a court, if an undertaking has not been given, the levying officer shall release the attachment pursuant to the request for release of attachment after the expiration of 10 days from the date of mailing the papers referred to in subdivision (e) to the plaintiff. If an undertaking has been given, the levying officer shall immediately release the attachment pursuant to the request for release of attachment.

(g) Where the attached property has been taken into custody, it shall be released to the person making the request for release of attachment or some other person designated in the request. Where the attached property has not been taken into custody, it shall be released as provided in subdivision (c) of Section 488.560.

(h) The levying officer is not liable for releasing an attachment in accordance with this section nor is any other person liable for acting in conformity with the release.

493.050. (a) The lien of a temporary protective order or of attachment, which has terminated pursuant to Section 493.030, is reinstated with the same effect as if it had not been terminated in the following cases:

(1) Where the termination is the result of the making of a general assignment for the benefit of creditors and the general assignment for the benefit of creditors is set aside otherwise than by the filing of a proceeding under the National Bankruptcy Act.

(2) Where the termination is the result of the filing of a petition initiating a proceeding under the National Bankruptcy Act and the defendant is not finally adjudged a bankrupt and no arrangement or plan is proposed and confirmed under the National Bankruptcy Act.

(3) Where the termination is the result of the filing of a petition initiating a proceeding under the National Bankruptcy Act and the trustee abandons property which had been subject to the lien of the temporary protective order or of attachment.

(b) The period from the making of a general assignment for the benefit of creditors until reinstatement of the lien of the temporary

protective order or of attachment is not counted in determining the duration of the temporary protective order or the lien of attachment.

493.060. Upon the making of a general assignment for the benefit of creditors, the assignee is subrogated to the rights of the plaintiff under the temporary protective order or attachment.

SEC. 2. It is the intent of the Legislature that Section 493.020 of the Code of Civil Procedure, as added by Section 1 of this act, is declaratory of existing law and no inference shall be drawn therefrom that the making of a general assignment for the benefit of creditors or the filing of a proceeding under the National Bankruptcy Act is prohibited or may be prohibited under existing law by any order issued pursuant to Title 6.5 (commencing with Section 481.010) of Part 2 of the Code of Civil Procedure.

CHAPTER 500

An act to amend Section 2030 of, and to repeal Section 2033 of, the Code of Civil Procedure, relating to discovery.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 2030 of the Code of Civil Procedure is amended to read:

2030. This section governs the written interrogatory and request for admission of facts and of genuineness of documents.

(a) Whenever used in this section, the following terms shall mean:

(1) "Propounding party" means either the party initiating a set of written interrogatories or a set of written requests for admissions of genuineness of documents or admissions.

(2) "Responding party" means either the person responding to the written interrogatories or written requests for admissions of genuineness of documents or admissions.

(3) "Propounding document" means either a set of written interrogatories or a set of written requests for admissions of genuineness of documents or admissions.

(4) "Responding document" means the original propounding document containing therein the responses of the responding party executed under oath.

(5) "Supplemental document" means the document required to comply with an order of court compelling the responding party to answer questions previously propounded and not answered or not answered adequately.

(6) "Question" means question in the case of written interrogatories and means request in the case of requests for admissions of genuineness of documents or admissions.

(7) "Answer" means a responsive reply.

(8) "Response" means answer or objection to questions.

(b) (1) Any party may serve upon any other party an original propounding document at any time after service of the summons or the appearance of such other party without leave of court, except that, if service of such document is made by the plaintiff within 10 days after such service of summons or appearance, leave of court granted with or without notice must first be obtained. If the party served is a public or private corporation or a partnership or association, or body politic, such service shall be upon any officer or agent.

(2) The propounding document shall be addressed to one party only, and each page thereof shall be paginated and numbered consecutively, contain no more than 4 questions per page, contain no subdivision of questions, and provide reasonable space under each question for the answer.

(c) The responding party shall respond to each question on the space provided in the original propounding document and if the space is insufficient shall append such additional pages as may be necessary for the continued response, paginate the same consecutively by alphabet, and insert the same immediately following the page which propounded the question. The responding party shall sign each page. The responding party shall serve the propounding party the responding document within 30 days after the service of the propounding document, unless the court, on motion and notice and for good cause shown, enlarges or shortens the time. For good cause shown and without notice, the court may extend the time to respond not to exceed 15 days. Such answers shall be responsive to the question, or, if any question be deemed objectionable, the objections thereto shall be stated by the party addressed in lieu of answer. The original propounding document with each of the responses of the responding party set forth in the space provided shall be subscribed under oath by the person responding.

(d) If the propounding party finds that any response is objectionable and an answer or further answer is required, he may move the court for an order compelling an answer or further answer. Such motion must be upon notice within 30 days from date of service of the responding document unless the court, on motion and notice, and for good cause shown, enlarges the time. Otherwise the propounding party shall be deemed to have waived his right to compel an answer or further answer. Such motion shall set forth in relation to each response found objectionable, the number of the question, the question, the response, followed by a short statement of the reasons the response is deemed insufficient.

(e) (1) Upon the failure of the responding party to respond timely to written interrogatories, the propounding party may seek sanctions as provided by law upon motion and notice.

(2) With respect to requests for admissions, each of the matters of

which an admission is requested shall be deemed admitted unless, within a period designated in the request, not less than 30 days after service thereof or within such shorter or longer time as the court may allow on motion and notice, the responding party serves the responding document upon the propounding party a response which (i) denies specifically by statement the matters of which an admission is requested and such denial shall fairly meet the substance of the requested admission, and when good faith requires the responding party to deny only a part or to qualify a matter of which an admission is requested, then the response shall specify so much of it as is true and deny only the remainder, or (ii) states that the request cannot truthfully be either admitted or denied and sets forth in detail the reasons therefor, or (iii) objects on the ground that the requested admission is privileged or irrelevant or that the request is otherwise improper in whole or in part.

(f) Whenever the court orders an answer or further answer the responding party shall prepare and serve a supplemental document upon the propounding party within 30 days of notice of such order, or such other time as the court may order not to exceed 30 days. The supplemental document shall contain as to each question which has been ordered answered, the original number of the question, the question followed by the answer, and if there is more than one question ordered to be answered such shall be set forth serially by original number followed by the question and the answer. The responding party shall sign each page of the responding document.

(g) (1) Interrogatories may relate to any matters which can be inquired into under subdivision (b) of Section 2016, and the answers may be used to the same extent as provided in subdivision (d) of Section 2016 for the use of the deposition of a party. Interrogatories may be served after a deposition has been taken, and a deposition may be sought after interrogatories have been answered, but the court, on motion of the deponent or the party interrogated, may make such protective order as justice may require. The number of interrogatories or of sets of interrogatories to be served is not limited except as above provided and except as justice requires to protect the party from annoyance, expense, embarrassment, or oppression. The provisions of subdivision (b) of Section 2019 are applicable for the protection of the party from whom answers to interrogatories are sought under this section.

(2) When in order to answer an interrogatory it is necessary to make a compilation, abstract, audit, or summary of the business records of a party, and such a compilation, abstract, audit, or summary does not exist, or if it does exist, it is not in the possession or under the control of such party, it shall be a sufficient answer to such interrogatory to so state and to specify the records from which the answer may be derived or ascertained and to afford the propounding party reasonable opportunity to examine, audit, or inspect such records and to make copies thereof or compilations, abstracts, or summaries therefrom.

(h) (1) The propounding party in writing may request of the responding party the admission of the genuineness of any relevant documents described in the requests or the truth of any relevant documents described in the requests or the truth of any relevant matters of fact set forth in the request. Copies of such documents shall be served with the request unless copies have already been furnished, and upon request the originals shall be made available for inspection.

(2) The number of requests for admissions or of sets of requests for admissions to be served is not limited except as justice requires to protect the party from annoyance, expense, embarrassment, or oppression. The provisions of subdivision (b) of Section 2019 are applicable for the protection of the party from whom the admissions are requested under this section.

(3) Any admission made by a party pursuant to such request is for the purpose of the pending action only and neither constitutes an admission by him for any other purpose nor may be used against him in any other action.

(i) (1) The responding party shall serve the original responding document and the original supplemental document upon the propounding party who shall retain possession thereof until or unless ordered by the court to file the same. Service hereunder shall be made upon the propounding party if such party does not have an attorney of record, otherwise upon his attorney, and shall be only by personal service or by certified mail in the manner provided by this code for service of summons and complaint.

(2) The propounding document may be served upon the responding party if such party does not have an attorney of record, otherwise upon his attorney, in the manner provided in Chapter 5 (commencing with Section 1010) of Title 14 of Part 2.

(3) Upon service of the responding document upon the propounding party, he shall immediately ascertain what other parties, if any, have appeared in the action, and shall prepare and serve upon such parties a true copy of the responding document, provided, however, the court on motion with or without notice may grant such relief therefrom to the extent the court finds compliance unduly expensive, oppressive, or burdensome. However, if any party for any reason has not been previously served with a copy of any responsive document prior to final judgment, such party upon written request to the propounding party shall be furnished with a copy thereof within 30 days of such request.

(4) No proof of service shall be filed for any document served pursuant to this section. If any party seeks any relief in which service is an issue, a copy of the proof of service shall be incorporated in the supporting papers.

(j) The court may in its discretion order the filing of a propounding or responding document.

(k) Upon request by a person not a party to the litigation, the court shall order that a propounding or responding document be

furnished to that person.

(*l*) An attorney for a propounding or responding party shall retain any document prepared by the attorney pursuant to this section for not less than five years following final disposition of the action.

SEC. 2. Section 2033 of the Code of Civil Procedure is repealed.

CHAPTER 501

An act to amend Section 14901 of the Financial Code, relating to credit unions.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 14901 of the Financial Code is amended to read:

14901. No credit union shall charge more than 15 percent per annum simple interest on the unpaid balance, for any loan, including all charges incident to the making of the loan. Charges incident to the making of a loan as used in this section do not include the cost of any insurance or any cost of acknowledgment, certification, registration, recordation or filing, independent appraisals, separate escrows, and other fees actually paid by a credit union to third parties in connection with a loan.

CHAPTER 502

An act to amend Section 25500 of the Elections Code, relating to elections.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977]

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

SECTION 1. Section 25500 of the Elections Code is amended to read:

25500. (a) Each candidate for a party nomination for the office of State Senator or Member of the Assembly at the direct primary election, whether his declaration of candidacy is to be made personally or by sponsors, shall file a written and signed declaration of his intention to become a candidate for his party's nomination for that office. The declaration of intention shall be filed with either the Secretary of State or the clerk of the county in which the candidate

is a resident. The declaration of intention shall be filed, on a form to be supplied by the county clerk or registrar of voters, not more than 15 nor less than 5 days prior to the first day on which his nomination papers may be presented for filing; provided, however, if the incumbent fails to file a declaration of intention by the end of such period, persons other than the incumbent may file declarations of intention no later than the first day for filing nomination papers. The declaration of intention provided for in this section shall be in substantially the following form:

I hereby declare my intention to become a candidate for the_____

(Name of political party)

Party's nomination for the office of

_____

(Name of office and district)

at the direct primary election.

_____

(Signature of candidate)

_____

(Address of candidate)

(b) No person may be a candidate nor have his name printed upon any ballot as a candidate for a party nomination for the office of State Senator or Member of the Assembly at the direct primary election unless he has filed the declaration of intention provided for in this section; provided, however, that if the incumbent of the office files a declaration of intention, but for any reason fails to qualify for nomination for the office by the last day prescribed for the filing of nomination papers, an additional five days shall be allowed for the filing of nomination papers for the office, and any person, if otherwise qualified, may file nomination papers for the office during the extended period, notwithstanding that he has not filed a written and signed declaration of intention to become a candidate for the office as provided in subdivision (a) of this section.

CHAPTER 503

An act to add Chapter 10.4 (commencing with Section 674) to Part 1 of Division 1 of the Insurance Code, relating to liability insurance.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Chapter 10.4 (commencing with Section 674) is added to Part 1 of Division 1 of the Insurance Code, to read:

CHAPTER 10.4. PRIOR NOTICE CONCERNING CANCELLATION OR NONRENEWAL

674. No insurer providing liability insurance to any city, county, or city and county, as a named insured, shall cancel the policy unless 90 days or more prior notice has been given, and no such insurer shall decline to renew such a policy unless 30 days or more prior notice has been given. The notices specified in this section shall be given within the time limitations prescribed and prior to the effective date of such cancellation or nonrenewal, or a notice of an increase in premium shall be given by the insurer to the city, county, or city and county.

CHAPTER 504

An act to amend Section 1808 of, and to add Section 1808.4 to, the Vehicle Code, relating to records.

[Approved by Governor September 2, 1977 Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 1808 of the Vehicle Code is amended to read:

1808. Notwithstanding Sections 16005 and 20012, and except as provided in Sections 1808.4 and 1808.5, all records of the department relating to the registration of vehicles, such other information as is contained on an application for a driver's license, and abstracts of convictions and of accident reports required to be sent to the department in Sacramento shall be open to public inspection during office hours.

SEC. 2. Section 1808.4 is added to the Vehicle Code, to read:

1808.4. The home address of any sheriff, undersheriff, or deputy sheriff of a county, regularly employed and paid as such; any policeman of a city; any member of the California Highway Patrol; and any member of the California State Police Division appearing in any record of the department is confidential and shall not be disclosed to any person, except a court or law enforcement agency, if the peace officer requests confidentiality of that information. Any record of the department containing such a confidential home address shall be open to public inspection, as provided in Section 1808, if the address is completely obliterated or otherwise removed from the record. Whenever any person requests the home address of a peace officer that has been made confidential pursuant to this section, the department shall inform that person of the law

enforcement agency of which the peace officer is a member.

SEC. 3. Sections 1 and 2 of this act shall become operative on July 1, 1978.

CHAPTER 505

An act to amend Section 21151 of the Government Code, relating to the Public Employees' Retirement System.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 21151 of the Government Code is amended to read:

21151. A retired person may serve without reinstatement from retirement or loss or interruption of benefits provided by this system,

(a) As a member of any nonsalaried board, commission or advisory committee, upon appointment by the Governor, director of a state department, or the governing board of the contracting agency; provided, however, that such appointment shall not be deemed employment within the meaning of Division 4 (commencing with Section 3201) and Division 4.5 (commencing with Section 6100) of the Labor Code, and shall not provide a basis for the payment of workers' compensation to a retired state employee or to his dependents.

(b) As a school crossing guard.

(c) As a juror or election officer.

(d) As an elective officer on and after September 15, 1961; provided, however, that all rights and immunities which may have accrued under Section 21158 as it read prior to that section's repeal during the 1969 Regular Session of the Legislature are hereby preserved.

(e) As an appointive member of the governing body of a contracting agency; provided the compensation for such office does not exceed one hundred dollars ($100) per month.

(f) Upon appointment by the Legislature, or either house, or a legislative committee to a position deemed by such appointing power to be temporary in nature.

CHAPTER 506

An act to amend Section 2803 of the Vehicle Code, relating to vehicles.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 2803 of the Vehicle Code is amended to read:

2803. (a) If the traffic officer determines that the vehicle is not safely loaded or that the height, width, length, or weight is unlawful, he may require the driver to stop in a suitable place and reload or remove such portion of the load as may be necessary to render the load safe or to reduce it to the limits permitted under this code. A suitable place is an area which allows the least obstruction to the highway and which requires the least travel on the highway by the vehicle. Determination of the suitability of an area shall be made by the traffic officer who requires the adjustment. All material so unloaded shall be cared for by the owner or operator of the vehicle at the risk of the owner or operator.

(b) If a certified weight certificate or bill of lading accompanies a vehicle which has been determined to be overweight due to the load on the vehicle, the driver shall submit the certified weight certificate or bill of lading, whichever is appropriate, to the traffic officer when the overweight load is removed in the presence of the officer. The officer may note on the certified weight certificate or bill of lading submitted by the driver the fact that a portion of the load has been removed to bring the vehicle and load within the allowable weight limit specified in this code, and the officer shall return the certificate or bill of lading to the driver.

(c) If the height, width, or length of the vehicle is unlawful, irrespective of any load thereon, or if an unladen vehicle is overweight, the traffic officer may prohibit further movement of the vehicle until a permit is obtained as provided in Section 35780.

CHAPTER 507

An act to add Section 35514.5 to the Education Code, relating to school districts.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 35514.5 is added to the Education Code, to read:

35514.5. Whenever the State Board of Education approves the formation of one or more districts from the territory of one or more existing districts, the State Board of Education may also provide that if the election to form the districts is successful, the provisions of Article 3 (commencing with Section 41750) and Article 4 (commencing with Section 41760) of Chapter 5, and Chapter 8 (commencing with Section 42400) of Part 24 of Division 3 of Title 2 relating to areawide taxes, shall apply to the territory included in the proposition; provided that the State Board of Education may fix the rate of the areawide tax, which rate shall not exceed the maximum tax rate computed under Section 4364 nor be less than that provided in Article 1 (commencing with Section 42400) and Article 2 (commencing with Section 42420) of Chapter 8 of Part 24 of Division 3 of Title 2.

CHAPTER 508

An act to amend Sections 1030, 1032.5, 1332, 3701, and 4701 of the Unemployment Insurance Code, relating to unemployment insurance.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 1030 of the Unemployment Insurance Code is amended to read:

1030. (a) Any employer who is entitled under Section 1327 to receive notice of the filing of a new or additional claim may, within 10 days after mailing of such notice, submit to the Employment Development Department any facts within its possession disclosing whether the claimant left such employer's employ voluntarily and without good cause or was discharged from such employment for misconduct connected with his or her work, or whether the claimant was a student employed on a temporary basis and whose employment began within, and ended with his or her leaving to return to school at the close of, his or her vacation period. The period during which the employer may submit such facts may be extended by the Director of Employment Development for good cause.

(b) Any base period employer who is not entitled under Section 1327 to receive notice of the filing of a new or additional claim and is entitled under Section 1329 to receive notice of computation may, within 15 days after mailing of such notice of computation, submit to the Employment Development Department any facts within its possession disclosing whether the claimant left such employer's

employ voluntarily and without good cause or was discharged from such employment for misconduct connected with his or her work, or whether the claimant was a student employed on a temporary basis and whose employment began within, and ended with his or her leaving to return to school at the close of, his or her vacation period. The period during which the employer may submit such facts may be extended by the Director of Employment Development for good cause.

(c) The Employment Development Department shall consider such facts together with any information in its possession and promptly notify the employer of its ruling as to the cause of the termination of the claimant's employment. The employer may appeal from a ruling or reconsidered ruling to a referee within 20 days after mailing or personal service of notice of the ruling or reconsidered ruling. The 20-day period may be extended for good cause, which shall include, but not be limited to, mistake, inadvertence, surprise, or excusable neglect. The Director of Employment Development shall be an interested party to any appeal. The Employment Development Department may for good cause reconsider any ruling or reconsidered ruling within either five days after the date an appeal to a referee is filed or, if no appeal is filed, within 20 days after mailing or personal service of notice of the ruling or reconsidered ruling, except that any ruling or reconsidered ruling which relates to a determination which is reconsidered pursuant to subdivision (a) of Section 1332 may also be reconsidered by the Employment Development Department within the time provided for reconsideration of such determination. For purposes of this section only, if the claimant voluntarily leaves such employer's employ without notification to the employer of the reasons therefor, and if the employer submits all of the facts within its possession concerning such leaving within the applicable time period referred to in this section, such leaving shall be presumed to be without good cause. An individual whose employment is terminated under the compulsory retirement provisions of a collective bargaining agreement to which the employer is a party shall not be deemed to have voluntarily left his or her employment without good cause.

SEC. 2. Section 1032.5 of the Unemployment Insurance Code is amended to read:

1032.5. (a) Any base period employer may, within 15 days after mailing of a notice of computation under Section 1329, submit to the Employment Development Department facts within its possession disclosing that the individual claiming benefits is rendering services for that employer in less than full-time work and is receiving wages less than his or her weekly benefit amount, and that the individual has continuously, commencing in or prior to the beginning of the base period, rendered services for that employer in such less than full-time work for wages less than the weekly benefit amount.

(b) The Employment Development Department shall consider facts submitted under subdivision (a) of this section together with

any information in its possession and promptly notify the employer of its ruling. If the department finds that an individual is, under Section 1252, unemployed in any week on the basis of his or her having less than full-time work and receiving wages less than his or her weekly benefit amount, and that the employer submitting facts under this section is a base period employer for whom the individual has continuously, commencing in or prior to the beginning of the base period, rendered services in such less than full-time work for wages less than the weekly benefit amount, that employer's account shall not be charged for benefits paid the individual in any week in which such wages are payable by that employer to the individual. The employer may appeal from a ruling or reconsidered ruling to a referee within 20 days after mailing or personal service of notice of the ruling or reconsidered ruling. The 20-day period may be extended for good cause, which shall include, but not be limited to, mistake, inadvertence, surprise, or excusable neglect. The Director of Employment Development shall be an interested party to any appeal. The Employment Development Department may for good cause reconsider any ruling or reconsidered ruling within either five days after an appeal to a referee is filed or, if no appeal is filed, within 20 days after mailing or personal service of the notice of the ruling or reconsidered ruling.

SEC. 3. Section 1332 of the Unemployment Insurance Code is amended to read:

1332. (a) The Employment Development Department may for good cause reconsider any determination within either five days after an appeal to a referee is filed or, if no appeal is filed, within 20 days after mailing or personal service of the notice of determination. The Employment Development Department may, if a claimant has not filed an appeal to a referee from any determination which finds that a claimant is ineligible or disqualified, for good cause also reconsider the determination during the benefit year or extended duration period or extended benefit period to which the determination relates. The Employment Development Department shall give notice of any reconsidered determination to the claimant and any employer or employing unit which received notice under Sections 1328 and 1331 and the claimant or employer may appeal therefrom in the manner prescribed in Section 1328.

(b) The Department of Benefit Payments may for good cause reconsider any computation or recomputation provided for in this article during the benefit year or extended duration period to which the notice of computation or recomputation relates, except that no recomputation may be considered with respect to any issue considered or under consideration in an appeal taken from a denial of recomputation. The Department of Benefit Payments shall promptly notify the claimant and each of the claimant's base period employers of the recomputation. The claimant and any base period employer may protest the accuracy of the recomputation as prescribed in Section 1330.

SEC. 4. Section 3701 of the Unemployment Insurance Code is amended to read:

3701. (a) Any employer who is entitled under Section 3654 to notice of the filing of a primary claim or additional claim and who, within 10 days after mailing of such notice, submits to the Employment Development Department any facts within its possession disclosing whether the exhaustee left the most recent employment with such employer voluntarily and without good cause or was discharged from such employment for misconduct connected with his or her work, or whether the claimant was a student employed on a temporary basis and whose employment began within, and ended with his or her leaving to return to school at the close of, his or her vacation period, shall be entitled to a ruling as prescribed by this section. The period during which the employer may submit such facts may be extended by the Director of Employment Development for good cause.

(b) The Employment Development Department shall consider such facts together with any information in its possession and promptly notify the employer of its ruling as to the cause of the termination of the exhaustee's most recent employment. The employer may appeal from a ruling or reconsidered ruling to a referee within 20 days after mailing or personal service of notice of the ruling or reconsidered ruling. The 20-day period may be extended for good cause, which shall include, but not be limited to, mistake, inadvertence, surprise, or excusable neglect. The Director of Employment Development shall be an interested party to any appeal. The Employment Development Department may for good cause reconsider any ruling or reconsidered ruling within either five days after the date an appeal to a referee is filed or, if no appeal is filed, within 20 days after mailing or personal service of notice of the ruling or reconsidered ruling, except that any ruling or reconsidered ruling which relates to a determination which is reconsidered pursuant to subdivision (a) of Section 1332 may also be reconsidered by the Employment Development Department within the time provided for reconsideration of such determination.

(c) Rulings under this section shall have the effect prescribed by Section 1032.

SEC. 5. Section 4701 of the Unemployment Insurance Code is amended to read:

4701. (a) Any employer who is entitled under Section 4654 to notice of the filing of an application or additional claim and who, within 10 days after mailing of such notice, submits to the Employment Development Department any facts within its possession disclosing whether the individual left the most recent employment with such employer voluntarily and without good cause or was discharged from such employment for misconduct connected with his or her work shall be entitled to a ruling as prescribed by this section.

(b) The Employment Development Department shall consider

such facts together with any information in its possession and promptly issue to the employer its ruling as to the cause of the termination of the individual's most recent employment. The employer may appeal from a ruling or reconsidered ruling to a referee within 20 days after mailing or personal service of notice of the ruling or reconsidered ruling. The 20-day period may be extended for good cause, which shall include, but not be limited to, mistake, inadvertence, surprise, or excusable neglect. The Director of Employment Development shall be an interested party to any appeal. The Employment Development Department may for good cause reconsider any ruling or reconsidered ruling within either five days after the date an appeal to a referee is filed or, if no appeal is filed, within 20 days after mailing or personal service of notice of the ruling or reconsidered ruling, except that any ruling or reconsidered ruling which relates to a determination which is reconsidered pursuant to subdivision (a) of Section 1332 may also be reconsidered by the Employment Development Department within the time provided for reconsideration of such determination.

(c) Rulings under this section shall have the effect prescribed by Section 1032.

CHAPTER 509

An act to add Section 700 to, to amend Sections 1680, 2660, and 2960, of, and to repeal Sections 2361.5 and 3108 of, the Business and Professions Code, and to repeal Section 5 of an initiative act entitled the "Osteopathic Act," approved by the electors November 7, 1922, relating to the healing arts.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 700 is added to the Business and Professions Code, to read:

700. Repeated acts of clearly excessive prescribing or administering of drugs or treatment, repeated acts of clearly excessive use of diagnostic procedures, or repeated acts of clearly excessive use of diagnostic or treatment facilities as determined by the standard of the local community of licensees is unprofessional conduct for a physician and surgeon licensed pursuant to Chapter 5 (commencing with Section 2000) of Division 2 or referred to in Section 3600, dentist, podiatrist, psychologist, physical therapist, chiropractor, or optometrist.

SEC. 2. Section 1680 of the Business and Professions Code is amended to read:

1680. Unprofessional conduct is defined to be any one of the

following:

(a) The employment of persons known as cappers or steerers, to obtain business.

(b) The obtaining of any fee by fraud or misrepresentation.

(c) The willful betrayal of professional secrets.

(d) The employment directly or indirectly of any student or suspended or unlicensed dentist to practice dentistry as defined in this chapter.

(e) The aiding or abetting of any unlicensed person to practice dentistry.

(f) The aiding or abetting of a licensed person to practice dentistry unlawfully.

(g) Habitual intemperance.

(h) Gross immorality.

(i) The use of any false, assumed or fictitious name, either as an individual, firm, corporation or otherwise, or any name other than the name under which he is licensed to practice, in advertising or in any other manner indicating that he is practicing or will practice dentistry.

(j) The practicing or accepting or receiving any commission or the rebating in any form or manner on fees for professional services, radiograms, prescriptions or other services or articles supplied to patients.

(k) The making use of any advertising statements of a character tending to deceive or mislead the public.

(*l*) The advertising of professional superiority or the performance of professional services in a superior manner.

(m) The advertising of definite or fixed prices for professional services.

(n) The use of advertising containing as a part thereof the representation of a tooth, teeth, bridgework or any portion of the human head.

(o) The employing or the making use of solicitors.

(p) The advertising of any free dental work, or free examination.

(q) The advertising to guarantee any dental service, or to perform any dental operation painlessly.

(r) The willful violation of any of the provisions of law regulating the dispensing and administration of dangerous drugs or narcotics, or the willful violation of any of the provisions of this chapter except the payment of fees.

(s) The failure to certify, or the false certification, to the board on or after January 1, 1972, that he or any person employed by the licentiate, who operates dental radiographic equipment, has passed an examination in radiation safety conducted by the board, or the equivalent of such examination as required by Section 1656; or the permitting of any person employed by him to operate dental radiographic equipment who has not passed an examination or the equivalent of such examination in radiation safety as required by Section 1656.

SEC. 2.5. Section 1680 of the Business and Professions Code is amended to read:

1680. Unprofessional conduct is defined to be any one of the following:

(a) The employment of persons known as cappers or steerers, to obtain business.

(b) The obtaining of any fee by fraud or misrepresentation.

(c) The willful betrayal of professional secrets.

(d) The employment directly or indirectly of any student or suspended or unlicensed dentist to practice dentistry as defined in this chapter.

(e) The aiding or abetting of any unlicensed person to practice dentistry.

(f) The aiding or abetting of a licensed person to practice dentistry unlawfully.

(g) Habitual intemperance.

(h) Gross immorality.

(i) The use of any false, assumed or fictitious name, either as an individual, firm, corporation or otherwise, or any name other than the name under which he is licensed to practice, in advertising or in any other manner indicating that he is practicing or will practice dentistry, except such name as is specified in a valid permit issued pursuant to Section 1701.5.

(j) The practicing or accepting or receiving any commission or the rebating in any form or manner on fees for professional services, radiograms, prescriptions or other services or articles supplied to patients.

(k) The making use of any advertising statements of a character tending to deceive or mislead the public.

(*l*) The advertising of professional superiority or the performance of professional services in a superior manner.

(m) The advertising of definite or fixed prices for professional services.

(n) The use of advertising containing as a part thereof the representation of a tooth, teeth, bridgework or any portion of the human head.

(o) The employing or the making use of solicitors.

(p) The advertising of any free dental work, or free examination.

(q) The advertising to guarantee any dental service, or to perform any dental operation painlessly.

(r) The willful violation of any of the provisions of law regulating the dispensing and administration of dangerous drugs or narcotics, or the willful violation of any of the provisions of this chapter except the payment of fees.

(s) The failure to certify, or the false certification, to the board on or after January 1, 1972, that he or any person employed by the licentiate, who operates dental radiographic equipment, has passed an examination in radiation safety conducted by the board, or the equivalent of such examination as required by Section 1656; or the

permitting of any person employed by him to operate dental radiographic equipment who has not passed an examination or the equivalent of such examination in radiation safety as required by Section 1656.

SEC. 3. Section 2361.5 of the Business and Professions Code is repealed.

SEC. 4. Section 2660 of the Business and Professions Code is amended to read:

2660. The board may, after the conduct of appropriate proceedings by the examining committee under the Administrative Procedure Act, suspend for not more than 12 months or revoke any license issued under this chapter for any of the following causes:

(a) Advertising in violation of Section 17500 of the Business and Professions Code.

(b) Fraud in the procurement of any license under this chapter.

(c) Procuring or aiding or offering to procure or aid in criminal abortion.

(d) Conviction of a crime which substantially relates to the qualifications, functions, or duties of a physical therapist. The record of conviction or a certified copy thereof shall be conclusive evidence of such conviction.

(e) Impersonating or acting as a proxy for an applicant in any examination given under this chapter.

(f) Habitual intemperance.

(g) Addiction to the excessive use of any habit-forming drug.

(h) Gross negligence in his practice as a physical therapist.

(i) Conviction of a violation of any of the provisions of this chapter or of the State Medical Practice Act, or violating, or attempting to violate, directly or indirectly, or assisting in or abetting the violating of, or conspiring to violate any provision or term of this chapter or of the State Medical Practice Act.

(j) The aiding or abetting of any person to violate the provisions of this chapter or any regulations duly adopted under this chapter.

(k) The aiding or abetting of any person to engage in the unlawful practice of physical therapy.

SEC. 5. Section 2960 of the Business and Professions Code is amended to read:

2960. The committee may order the denial of an application for, or the suspension for a period not exceeding one year, or the revocation of, or the imposition of probationary conditions upon, a license for any of the following causes:

(a) Conviction of a felony, or of any offense involving moral turpitude.

(b) Use of any narcotic as defined in Division 10 (commencing with Section 11000) of the Health and Safety Code, or any alcoholic beverage to an extent or in a manner dangerous to himself, any other person, or the public, or to an extent that such use impairs his ability to perform the work of a psychologist with safety to the public.

(c) Impersonating another person holding a psychology license or

allowing another person to use his license.

(d) Using fraud or deception in applying for a license or in passing the examination provided for in this chapter.

(e) Accepting commissions or rebates or other forms of remuneration for referring persons to other professionals.

(f) Violating Section 17500.

(g) Willful, unauthorized communication of information received in professional confidence.

(h) Violating any rule of professional conduct promulgated by the committee and set forth in regulations duly adopted under this chapter.

(i) Being grossly negligent in the practice of his profession.

(j) Willfully violating any of the provisions of this chapter or regulations duly adopted thereunder.

(k) The aiding or abetting of any person to engage in the unlawful practice of psychology.

SEC. 6. Section 3108 of the Business and Professions Code is repealed.

SEC. 7. Section 5 of the initiative act entitled the "Osteopathic Act," approved by the electors November 7, 1922, as added by Chapter 1318 of the Statutes of 1970, is repealed.

SEC. 8. It is the intent of the Legislature, if this bill and Assembly Bill No. 787 are both chaptered and become operative on or before January 1, 1978, and amend Section 1680 of the Business and Professions Code, and this bill is chaptered after Assembly Bill No. 787, that the amendments to Section 1680 proposed by both bills be given effect and incorporated in Section 1680 in the form set forth in Section 2.5 of this act. Therefore, Section 2.5 of this act shall become operative only if this bill and Assembly Bill No. 787 are both chaptered, both amend Section 1680, and Assembly Bill No. 787 is chaptered before this bill, in which case Section 2 of this act shall not become operative.

CHAPTER 510

An act to add Chapter 3 (commencing with Section 31220) to Part 3 of Division 5 of, and Section 31302.5 to, the Corporations Code, relating to franchises.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Chapter 3 (commencing with Section 31220) is added to Part 3 of Division 5 of the Corporations Code, to read:

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31220. It shall be a violation of this division for any franchisor, directly or indirectly, through any officer, agent or employee, to restrict or inhibit the right of franchisees to join a trade association or to prohibit the right of free association among franchisees for any lawful purposes. Notwithstanding Section 31410, a violation of this section shall not constitute a crime.

SEC. 2. Section 31302.5 is added to the Corporations Code, to read:

31302.5. (a) Any person who violates Section 31220 may be sued in the superior court in the county in which the defendant resides or where a franchise affected by the violation does business, for temporary and permanent injunctive relief and for damages, if any, and the costs of suit, including reasonable attorneys' fees. A plaintiff shall not be required to allege or prove that actual damages have been suffered in order to obtain injunctive relief.

(b) No action shall be maintained to enforce any liability created under Section 31220 unless brought before the expiration of two years after the violation upon which it is based or the expiration of one year after the discovery by the plaintiff of the facts constituting such violation, whichever occurs first.

CHAPTER 511

An act to amend Sections 803, 821, and 1133 of, to add Section 1142 to, and to repeal Section 1030.5 of, the Unemployment Insurance Code, relating to unemployment insurance.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 803 of the Unemployment Insurance Code is amended to read:

803. (a) As used in this section "entity" means any employing unit that is authorized or required by any provision of Article 4 (commencing with Section 701) of this chapter or by Section 801 or 802 to elect a method of financing coverage permitted by this section.

(b) In lieu of the contributions required of employers, an entity may elect any one of the following:

(1) To pay into the Unemployment Fund the cost of benefits, including extended duration benefits and federal-state extended benefits, paid based on base period wages with respect to employment for the entity and charged to its account in the manner provided by Section 1026, pursuant to authorized regulations which shall prescribe the rate or amount, time, manner, and method of

payment or advance payment or providing a good and sufficient bond to guarantee payment of contributions.

(2) Two or more entities that have elected a method of financing under this section may, pursuant to authorized regulations, file an application with the director for the establishment of a joint account for the purpose of determining the rate of contributions they shall pay into the Unemployment Fund to reimburse the fund for benefits paid with respect to employment for such entities. The members of the joint account may share the cost of benefits, including extended duration benefits and federal-state extended benefits, paid based on the base period wages with respect to employment for such members and charged to the joint account in the manner provided by Section 1026. The director shall prescribe authorized regulations for the establishment, maintenance, and dissolution of joint accounts, and for the rate or amount, time, manner, and method of payment or advance payment or providing a good and sufficient bond to guarantee payment of contributions by the members of joint accounts, on the cost of benefits charged in the manner provided by Section 1026.

(c) Sections 1030, 1031, 1032, and 1032.5, and any provision of this division for the noncharging of benefits to the account of an employer, shall not apply to an election under subdivision (b) of this section.

(d) In making the payments prescribed by subdivision (b) there shall be paid or credited to the Unemployment Fund, either in advance or by way of reimbursement, as may be determined by the director, such sums as he estimates the Unemployment Fund will be entitled to receive from each entity for each calendar quarter, reduced or increased by any sum by which he finds that his estimates for any prior calendar quarter were greater or less than the amounts which should have been paid to the fund. Such estimates may be made upon the basis of such statistical sampling, or other method as may be determined by the director.

Upon making such determination, the director shall give notice of the determination, pursuant to Section 1140, to the entity. The director may cancel any contributions or portion thereof which he finds has been erroneously determined. The director shall charge to any special fund, which is responsible for the salary of any employee of an entity, the amount determined by the director for which the fund is liable pursuant to this section. The contributions due from the entity shall be paid from the liable special fund, the General Fund, or other liable fund to the Unemployment Fund by the Controller or other officer or person responsible for disbursements on behalf of the entity within 30 days of the date of mailing of the director's notice of determination to the entity. The director for good cause may extend for not to exceed 60 days the time for paying without penalty the amount determined and required to be paid. Contributions are due upon the date of mailing of the notice of determination and are delinquent if not paid on or before the 30th day following the date

of mailing of such notice. Any entity which fails to pay the contributions required within the time required shall be liable for interest on the contributions at the rate of 1 percent per month or fraction thereof from and after the date of delinquency until paid, and any entity which without good cause fails to pay any contributions required within the time required shall pay a penalty of 10 percent of the amount of such contributions. If the entity fails to pay the contributions required on or before the delinquency date, the director may assess the entity for the amount required by the notice of determination. The provisions of Article 8 (commencing with Section 1126) of Chapter 4 of Part 1 of this division with respect to the assessment of contributions, and the provisions of Chapter 7 (commencing with Section 1701) of Part 1 of this division with respect to the collection of contributions, shall apply to the assessments provided by this section. The provisions of Sections 1177 to 1184, inclusive, relating to refunds and overpayments, shall apply to amounts paid to the Unemployment Fund pursuant to this section.

(e) To the extent permitted by federal law, no contributions shall be due from any entity other than a nonprofit organization which has elected financing under subdivision (b) and which has previously made contributions required of employers pursuant to an elective coverage agreement or under compulsory coverage until the cost of benefits paid and reimbursable by the entity under this section together with the benefits charged and chargeable to the reserve account of the entity as a result of its prior election or compulsory coverage exceed the contributions made by the entity and credited to its reserve account pursuant to its prior election or compulsory coverage.

(f) Except with respect to a political subdivision electing coverage pursuant to Section 710.2, the director may terminate the election of any entity for financing under this section if the entity is delinquent in the payment of advances or reimbursements required by the director under this section. After any such termination the entity may again make an election pursuant to this section but only if it is not delinquent in the payment of contributions and not delinquent in the payment of advances or reimbursements required by the director under this section.

(g) Notwithstanding any other provision of this section, no entity shall be liable for that portion of any extended duration benefits or federal-state extended benefits which is reimbursed or reimbursable by the federal government to the State of California.

(h) After the termination of any election under this section, the entity shall remain liable for its proportionate share of the cost of benefits paid and charged to its account in the manner provided by Section 1026, which are based on wages paid for services during the period of the election. Any such liability may be charged against any remaining balance of a prior reserve account used by the entity pursuant to Section 712 or used by a public entity pursuant to subdivision (e). Any portion of such remaining balance shall be

included in the reserve account of the entity following any termination of an election under this section which occurs prior to the expiration of a period of three consecutive years commencing with the effective date of such election. For purposes of Section 982, the period of an election under Section 803 shall, to the extent permitted by federal law, be included as a period during which a reserve account has been subject to benefit charges.

SEC. 2. Section 821 of the Unemployment Insurance Code is amended to read:

821. (a) Effective January 1, 1972, each employing unit defined by Section 135.3 shall, in lieu of the contributions required of employers, pay into the Unemployment Fund the cost of benefits, including extended duration benefits and federal-state extended benefits, paid based on base period wages with respect to employment for such employing unit and charged to its account in the manner provided by Section 1026, pursuant to authorized regulations which shall prescribe the rate or amount, time, manner, and method of payment or advance payment or providing a good and sufficient bond to guarantee payment of contributions.

(b) Sections 1030, 1031, 1032, and 1032.5, and any provision of this division for the noncharging of benefits to the account of an employer, shall not apply to an employing unit under subdivision (a) of this section.

(c) In making the payments prescribed by subdivision (a), there shall be paid or credited to the Unemployment Fund, either in advance or by way of reimbursement, as may be determined by the director, such sums as he estimates the Unemployment Fund will be entitled to receive from each employing unit for each calendar quarter, reduced or increased by any sum by which he finds that his estimates for any prior calendar quarter were greater or less than the amounts which should have been paid to the fund. Such estimates may be made upon the basis of such statistical sampling, or other method as may be determined by the director.

Upon making such determination, the director shall mail notice of the determination to the employing unit.

The director may cancel any contributions or portion thereof which he finds have been erroneously determined. The contributions due from the employing units shall be paid, transferred or credited from the Classified School Employees Fund established in the State Treasury by Section 822 to the Unemployment Fund by the State Treasurer, State Controller, or other officer or person responsible for disbursements on behalf of the employing unit within 30 days of the date of mailing of the director's notice of determination to the employing unit.

Each employing unit shall send a copy of any and all notices, billings or correspondence not normally routed to the administrator and the Superintendent of Public Instruction regarding unemployment insurance for the classified school employees to the administrator, the Superintendent of Public Instruction, and county

superintendent of schools, or agent thereof with timely documentation of charges or determination. The provisions of Article 8 (commencing with Section 1126) of Chapter 4 of this part with respect to the assessment of contributions, and the provisions of Chapter 7 (commencing with Section 1701) of this part with respect to the collection of contributions, shall apply to the assessments provided by this article. The provisions of Sections 1177 to 1184, inclusive, relating to refunds and overpayments, shall apply to amounts paid to the Unemployment Fund pursuant to this section.

(d) Notwithstanding any other provision of this section, no employing unit shall be liable for that portion of any extended duration benefits or federal-state extended benefits which is reimbursed or reimbursable by the federal government to the State of California.

(e) The administrator and the Superintendent of Public Instruction shall adopt rules and regulations for the administration of their respective functions under this article in accordance with Chapter 4.5 (commencing with Section 11371) of Part 1 of Division 3 of Title 2 of the Government Code. Regulations of the administrator shall be subject to the provisions of Article 1 (commencing with Section 301) of Chapter 2 of Part 1 of Division 1. Rules and regulations of the Superintendent of Public Instruction shall not be subject to the provisions of Article 1 (commencing with Section 301) of Chapter 2 of Part 1 of Division 1.

SEC. 3. Section 1030.5 of the Unemployment Insurance Code is repealed.

SEC. 4. Section 1133 of the Unemployment Insurance Code is amended to read:

1133. Any employing unit against whom an assessment is made under Section 1126, 1127, or 1142, or any person directly interested in such assessment, may file with a referee a petition for reassessment within 30 days after service of notice of the assessment. An additional 30 days for the filing of a petition may for good cause be granted by the referee. If a petition for reassessment is not filed within the 30-day period, or within the additional period granted by the referee, the assessment becomes final at the expiration of the period.

SEC. 5. Section 1142 is added to the Unemployment Insurance Code, to read:

1142. If the director finds that any employer or any employee, officer, or agent of any employer, in submitting facts concerning the termination of a claimant's employment pursuant to Section 1030, 1327, 3654, 3701, 4654, or 4701, willfully makes a false statement or representation or willfully fails to report a material fact concerning such termination, the director shall assess a penalty against the employer in an amount not less than 2 nor more than 10 times the weekly benefit amount of such claimant. The provisions of this article, the provisions of Article 9 (commencing with Section 1176) of this chapter with respect to refunds, and the provisions of Chapter 7 (commencing with Section 1701) of this part with respect to

collections shall apply to the assessments provided by this section. Penalties collected under this section shall be deposited in the contingent fund.

CHAPTER 512

An act to amend Section 70063 of, to add Section 68529 to, and to add and repeal Section 69606.5 of, the Government Code, relating to courts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 68529 is added to the Government Code, to read:

68529. (a) The Judicial Council shall provide by rule for the maintenance of records as described in subdivision (c), which shall be filed with the council by each official reporter and official reporter pro tempore of any court located in Mendocino County. Such records shall be inspected and audited by the Judicial Council.

(b) The Judicial Council shall submit an annual report to the board of supervisors of any such county and to the Legislature summarizing the information contained in the records.

(c) Each such annual report shall include the following information relative to the official court reporters of the county:

(1) The quantity and types of transcripts prepared by the official reporters and official reporters pro tempore during the reporting period.

(2) The fees charged and the fees collected for such transcripts.

(3) Expenses incurred by the reporters in connection with the preparation of such transcripts.

(4) The amount of time the reporters have spent in attendance upon the courts for the purpose of reporting proceedings, and the compensation received for this purpose.

(5) Such other information as the Judicial Council may require.

SEC. 1.5. Section 69606.5 is added to the Government Code, to read:

69606.5. Notwithstanding the provisions of Article 5 (commencing with Section 69740) of Chapter 5 of Title 8, in the County of Ventura, one or more judges of the superior court may hold concurrent daily sessions in the City of Santa Paula.

This section shall remain in effect only until January 1, 1979, and as of such date is repealed, unless a later enacted statute, which is chaptered before January 1, 1979, deletes or extends such date.

SEC. 2. Section 70063 of the Government Code is amended to

read:

70063. (a) In Mendocino County, the official phonographic reporters shall perform the following duties:

(1) Report all proceedings before the superior court;

(2) Report the proceedings of the grand jury;

(3) Act as the secretary of, and render stenographic and clerical assistance to, the judge of the department to which they are assigned by the presiding judge.

The official phonographic reporters of such county shall receive a salary recommended by the superior court and approved by the board of supervisors.

Any appointee to an official reporter position shall be compensated at the first step and advance to each higher step upon completion of each year of service. Upon the recommendation of the superior court and approval of the board of supervisors, official reporters may be employed at or may be granted a special step increase to any step within the salary range on the basis of experience or qualifications.

(b) The compensation for each official reporter pro tempore shall be the equivalent of the daily wage of the first step in the salary range for full-time official reporters for each day he actually is on duty under order of the court.

(c) In addition to the compensation provided in this article, each full-time reporter of the superior court shall be entitled to, and shall receive, the same vacation, sick leave, and similar privileges and benefits as are now, or may hereafter be provided for the employees of the County of Mendocino, including the right to participate in any group, accident, health or life insurance plan adopted by the board of supervisors of the county.

(d) Until such time as the salaries of full-time official reporters and official reporters pro tempore are approved by the board of supervisors pursuant to subdivision (a), such reporters shall receive the salaries in effect immediately prior to the effective date of the amendments to this section enacted by the Legislature at its 1977–78 Regular Session.

The fee required by Section 70053 shall be five dollars ($5).

SEC. 3. If any provision of Section 1 or 2 of this act, or the application thereof, is enjoined, restrained, or otherwise held invalid, then every other provision or application of Section 1 or 2 of this act shall be void, and to this end the provisions of Sections 1 and 2 of this act are inseverable.

SEC. 4. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because this act is in accordance with the request of a local government entity which desired legislative authority to act to carry out the program specified in this act.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the

meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Court reporters in adjacent and nearby counties are paid significantly higher salaries than are currently paid in Mendocino County and this results in a shortage of qualified court reporters in Mendocino County. Unless this situation is promptly remedied, it may well be necessary to close courts within the county. In order to rectify this situation, it is necessary that this act take effect immediately.

CHAPTER 513

An act to amend Sections 12505 and 12689 of the Health and Safety Code, relating to fireworks, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 12505 of the Health and Safety Code is amended to read:

12505. "Dangerous fireworks" includes all of the following:

(a) Any fireworks which contain any of the following:

(1) Arsenic sulfide, arsenates, or arsenites.

(2) Boron.

(3) Chlorates, except:

(A) In colored smoke mixture in which an equal or greater amount of sodium bicarbonate is included.

(B) In caps and party poppers.

(C) In those small items (such as ground spinners) wherein the total powder content does not exceed 4 grams of which not greater than 15 percent (or 600 milligrams) is potassium, sodium, or barium chlorate.

(4) Gallates or Gallic acid.

(5) Magnesium (magnesium-aluminum alloys, called magnalium, are permitted).

(6) Mercury salts.

(7) Phosphorus (red or white except that red phosphorus is permissible in caps and party poppers).

(8) Picrates or picric acid.

(9) Thiocyanates.

(10) Titanium, except in particle size greater than 100-mesh.

(11) Zirconium.

(b) Firecrackers.

(c) Skyrockets and rockets, including all devices which employ any combustible or explosive material and which rise in the air

during discharge.

(d) Roman candles, including all devices which discharge balls of fire into the air.

(e) Chasers, including all devices which dart or travel about the surface of the ground during discharge.

(f) Sparklers more than 10 inches in length or one-fourth of one inch in diameter.

(g) All fireworks designed and intended by the manufacturer to create the element of surprise upon the user. These items include, but are not limited to, auto-foolers, cigarette loads, exploding golf balls, and trick matches.

(h) Fireworks known as devil-on-the-walk, or any other firework which explodes through means of friction, unless otherwise classified by the State Fire Marshal pursuant to this part.

(i) Torpedoes of all kinds which explode on impact.

(j) Fireworks kits.

(k) Such other fireworks examined and tested by the State Fire Marshal and determined by him, with the advice of the State Board of Fire Services, to possess characteristics of design or construction which make such fireworks unsafe for use by any person not specially qualified or trained in the use of fireworks.

SEC. 2. Section 12689 of the Health and Safety Code is amended to read:

12689. (a) It is unlawful for any person to sell, give, or deliver any dangerous fireworks to any person under 18 years of age.

(b) It is unlawful for any person who is a retailer to sell or transfer any safe and sane fireworks to a person who is under 16 years of age.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local government entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

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

Recent statistics indicate that in California the highest percentage of injuries attributed to the use of safe and sane fireworks are to persons under 16 years of age. Similarly, the number of fires caused by the misuse or improper firing of safe and sane fireworks are by persons under 16 years of age. In an effort to bring about a reduction in these injuries and fires before the next Fourth of July holiday period, it is essential that this act take immediate effect.

CHAPTER 514

An act to amend Section 44274 of the Education Code, relating to teaching credentials, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 44274 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

44274. The commission shall issue, upon direct application by a qualified applicant, any credential specified in Section 44265 and such other specialist instruction credentials as the commission may establish, except that special education specialist credentials issued under the provisions of this section shall only be those which authorize teaching in programs for the learning handicapped or the severely handicapped, as both are defined in Section 56352, to an applicant who possesses a valid regular California teaching credential and who is, in the judgment of the commission, qualified to receive the credential. The credential issued under the terms of this section shall be a "full," "clear," or "professional" credential. Determination of qualification shall be limited to either (a) or (a) and (b):

(a) Specialized training: Twenty-four semester units, or equivalent credit, of specialized training in the field for which the credential is to be issued shall be required. Such training may include training in a related field or fields. The commission shall establish guidelines to determine what constitutes qualifying training and what are related fields. Qualifications for specialist in special education credentials authorizing teaching in programs for learning handicapped or severely handicapped pupils, as both are defined in Section 56352, shall include, but need not be limited to, training in (1) learning disabilities, (2) perceptual-motor training, and (3) language development. Such training shall have commenced on or after the beginning of the school year 1964–65 and been completed on or before September 15, 1978, with respect to applicants for special education specialist credentials authorizing programs for the learning handicapped or the severely handicapped, as both are defined in Section 56352, on or before September 1, 1979, for applicants for bilingual-crosscultural specialist credentials, and on or before September 15, 1977, for all other applicants authorized herein, and shall have been undertaken in a California institution accredited by the State Board of Education, or approved by the commission. If the applicant received training, within the same time limits, in an out-of-state institution, credit for such training shall apply only if, at the time the training was taken, the institution was accredited by the

appropriate regional accrediting body and accredited or approved by the certification agency of the state in which the institution is located. The commission shall allow up to six semester units credit for experience, pursuant to subdivision (b), in lieu of coursework.

(b) Experience in actual practice of the specialization in the public schools or in a private school or institution of equivalent status. Such experience shall have commenced on or after September 1, 1970. Such experience need not have been full time in the specialization, but shall demonstrate the applicant's ability to function in the specialization, as shown by continued employment in such schools in a position or in positions which utilize the skills of the credential field or related fields.

(c) Application for credentials pursuant to this section shall be made by September 15, 1978, by applicants for special education specialist credentials authorizing programs for the learning handicapped or the severely handicapped, as both are defined in Section 56352, by September 1, 1979, for applicants for bilingual-crosscultural specialist credentials, and by September 15, 1977, for all other applicants authorized herein.

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

This act would extend from September 15, 1977, until September 15, 1979, the deadline for making application for bilingual-crosscultural specialist credentials. In order that such extension for making application may go into effect before the existing statutory deadline is reached, it is necessary that this act take effect immediately.

CHAPTER 515

An act to amend Section 30701 of the Public Resources Code, relating to coastal resources.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 30701 of the Public Resources Code is amended to read:

30701. The Legislature finds and declares that:

(a) The ports of the State of California, including the Humboldt Bay Harbor, Recreation, and Conservation District, constitute one of the state's primary economic and coastal resources and are an essential element of the national maritime industry.

(b) The location of the commercial port districts within the State

of California, including the Humboldt Bay Harbor, Recreation, and Conservation District, are well established, and for many years such areas have been devoted to transportation and commercial, industrial, and manufacturing uses consistent with federal, state, and local regulations. Coastal planning requires no change in the number or location of the established commercial port districts. Existing ports, including the Humboldt Bay Harbor, Recreation, and Conservation District, shall be encouraged to modernize and construct necessary facilities within their boundaries in order to minimize or eliminate the necessity for future dredging and filling to create new ports in new areas of the state.

CHAPTER 516

An act to add and repeal Section 1508 of the Vehicle Code, relating to the Department of Motor Vehicles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 1508 is added to the Vehicle Code, to read:

1508. (a) The department shall conduct a pilot program to determine the feasibility of using flexible office hours in field offices of the department.

(b) The director shall establish a pilot program of varied office hours in field offices throughout the state in order to provide timely service to the public to attempt to meet the needs of each community. In establishing the pilot program, the director shall survey employees in the pilot offices to determine their preferences for variable hours. To the extent it is practicable, variable-hours work schedules shall be prepared through the use of employees who volunteer to work such hours and so as to coincide with employee preferences. The director shall also meet and confer with representatives from all recognized employee organizations, as defined in Section 3501 of the Government Code, affected by the pilot program, and shall consider, in good faith, recommendations from such groups prior to adopting a program of flexible office hours.

(c) Pursuant to such program, the director may designate such days and hours during which field offices of the department shall be open for business other than during normal office hours for state departments as specified in Section 11020 of the Government Code. Field offices of the department shall, however, remain open not less than 44 hours each 5-day workweek and 43 hours each 4-day workweek, except those weeks which include a legal holiday, as specified in subdivisions (b) to (k), inclusive, and subdivision (m),

of Section 6700, and in Section 6701 of, the Government Code.

(d) The director may designate certain field offices of the department to be open for normal business on Saturdays. If the director elects to provide Saturday service, not more than 12 different offices at any given time shall be designated and scheduled to be open for business Tuesday through Saturday.

(e) The department shall make a progress report on the pilot program to the Legislature not later than December 31, 1978, and shall prepare and submit to the Legislature, a final report on the pilot program not later than December 31, 1979.

The reports shall include, but need not be limited to, the following:

(1) The effect of varied office hours on department employees.

(2) The effect of varied office hours on the public.

(3) The cost and benefits of utilizing flexible office hours.

Upon request of representatives of recognized employee organizations, as defined in Section 3501 of the Government Code, the department shall provide the data collected from the pilot program to such organizations for their review and evaluation. If the recognized employee organizations elect to, they may prepare a composite analysis of the data and furnish such information to the department for inclusion in the department's report to the Legislature.

This section shall remain in effect only until December 31, 1979, and as of such date is repealed, unless a later enacted statute, which is chaptered before December 31, 1979, deletes or extends such date.

SEC. 2. The Legislature, in enacting the provisions of this act, recognizes that the needs of the motoring public of the State of California must be evaluated periodically in determining the service hours of the Department of Motor Vehicles.

It is, therefore, the intent of the Legislature that the Department of Motor Vehicles attempt, through a pilot study, to ascertain which days and hours of service are most consistent with the needs of individual communities.

The Legislature further finds that there may be a greater need for flexible office hours in only certain locations within the state and this pilot program shall be utilized to determine if varied office hours in Department of Motor Vehicles' field offices can effectively be administered.

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

The public has indicated a need for service by the Department of Motor Vehicles during office hours which are other than those now required by law.

In order for the Department of Motor Vehicles to implement a pilot program on or before January 1, 1978, lead time will be required, and therefore it is necessary that this act go into immediate effect.

CHAPTER 517

An act to amend Sections 5307 and 5307.3 of, and to add Section 5307.4 to, the Labor Code, relating to the Workmen's Compensation Appeals Board.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 5307 of the Labor Code is amended to read:

5307. The appeals board may by an order signed by four members:

(a) Adopt reasonable and proper rules of practice and procedure.

(b) Regulate and provide the manner in which, and by whom, minors and incompetent persons are to appear and be represented before it.

(c) Regulate and prescribe the kind and character of notices, where not specifically prescribed by this division, and the service thereof.

(d) Regulate and prescribe the nature and extent of the proofs and evidence.

No rule or regulation of the appeals board pursuant to this section shall be adopted, amended, or rescinded without public hearings. Any written request hereafter filed with the appeals board seeking a change in its rules or regulations shall be deemed to be denied if not set by the appeals board for public hearing to be held within six months of the date on which such request is received by the appeals board.

SEC. 2. Section 5307.3 of the Labor Code is amended to read:

5307.3. The administrative director may adopt, amend or repeal such regulations as are reasonably necessary to enforce the provisions of this division, except where such power is specifically reserved to the appeals board.

No rule or regulation of the administrative director pursuant to this section shall be adopted, amended, or rescinded without public hearings. Any written request hereafter filed with the administrative director seeking a change in its rules or regulations shall be deemed to be denied if not set by the administrative director for public hearing to be held within six months of the date on which such request is received by the administrative director.

SEC. 3. Section 5307.4 is added to the Labor Code, to read:

5307.4. (a) Public hearings required under Sections 5307 and 5307.3 shall be subject to the provisions of this section except to the extent that there is involved a matter relating to the management, or to personnel, or to public property, loans, grants, benefits, or to contracts, of the appeals board or the administrative director.

(b) Notice of the rule or regulation proposed to be adopted, amended, or rescinded, shall be given to such business and labor

organizations and firms or individuals who have requested notice thereof. The notice shall include all the following:

(1) A statement of the time, place, and nature of the public hearings.

(2) Reference to the legal authority under which the rule is proposed.

(3) Either the terms or substance of the proposed rule, or a description of the subjects and the issues involved.

(c) Except where the proposed rule or regulation has a significant impact on the public, this section shall not apply to interpretive rules, general statements of policy, or rules of agency organization.

(d) After notice required by this section, the appeals board or the administrative director shall give interested persons the opportunity to participate in the rulemaking through submission of written data, views, or arguments, with opportunity for oral presentation. If, after consideration of the relevant matter presented, the appeals board or the administrative director adopts a rule, it or he shall publish a concise, general statement of reasons for the adoption of the rule. The rule and statement of reasons shall be given to the same individuals and organizations who have requested notice of hearings.

(e) The notice required under this section shall be made not less than 30 days prior to the public hearing date.

CHAPTER 518

An act to amend Section 20135 of the Government Code, relating to the Public Employees' Retirement System.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977]

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

SECTION 1. Section 20135 of the Government Code is amended to read:

20135. Retired members of the system, and beneficiaries who are entitled to receive allowances or benefits under the provisions of this part, may authorize deductions to be made from their retirement allowance payments or from the allowances and benefits, respectively, or from either or both where both are being received, in accordance with regulations established by the board for the payment of group insurance premiums and other premiums for benefits or protection provided for under the provisions of Section 1156 of the Government Code, for credit union payments or shares, or for the payment, with respect to retired state members of the system, of dues provided for under subdivision (c) of Section 1156. The board shall determine the additional cost involved in making deductions under this section and the public agency, the association,

or the unit thereof, or the credit union shall pay the amount of such additional cost to the board for deposit in the retirement fund.

CHAPTER 519

An act to amend Sections 954, 960, 960.1, and 960.2 of the Streets and Highways Code, relating to county highways.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 954 of the Streets and Highways Code is amended to read:

954. All county highways which for a period of five consecutive years are impassable for vehicular travel, and on which during such period of time no public money is expended for maintenance, are unnecessary highways, subject to abandonment pursuant to Section 960.2 or as herein provided. The board of supervisors of any county on its own motion, or on the petition of any interested taxpayer of the county, may abandon any such unnecessary highway or may designate such county highway a stock trail. The board of supervisors shall cause notices to be posted upon such stock trails, and also at the entrance of such stock trails, directing all persons to drive all untethered stock thereon.

After a stock trail has been established or designated as provided in this chapter, the county is not liable for death or injury to a vehicle owner or operator or passenger, or for damage to a vehicle or its contents, resulting from a dangerous condition of the stock trail.

Such stock trails shall not be included in the term "maintained mileage of county roads" as that term is used in Chapter 3 (commencing with Section 2100) of Division 3.

SEC. 2. Section 960 of the Streets and Highways Code is amended to read:

960. Upon the making of such order of abandonment, the public easement in the highway or part abandoned ceases except to the extent reserved in the order of abandonment or retained pursuant to Section 812.5 of the Civil Code. The clerk shall cause a certified copy of such order to be recorded in the office of the county recorder. Where the county owns in fee the property on which the abandoned highway was located, the board of supervisors may dispose of the property as provided in Section 960.4, subject to any easements reserved in the order of abandonment or retained pursuant to Section 812.5 of the Civil Code.

No such abandonment of the highway or disposal of the highway property shall extinguish any existing private easement of access, regardless of origin, appurtenant to lands abutting the highway. Any

such private easement, however, shall be subject to extinguishment under the laws of this state governing abandonment, adverse possession, waiver, and estoppel. The nonuse of any such private easement for a period of five consecutive years shall constitute a conclusive presumption of abandonment.

SEC. 3. Section 960.1 of the Streets and Highways Code is amended to read:

960.1. The board of supervisors of any county may retain or may summarily vacate and abandon:

(a) Any portion of a county highway which portion has been superseded by relocation, except in case such abandonment would cut off all access to the property of any person which, prior to such relocation, adjoined the highway.

(b) Any excess right-of-way of a county highway not required therefor.

(c) Any portion of a county highway which lies within land under one ownership and which does not end touching the land of another.

SEC. 4. Section 960.2 of the Streets and Highways Code is amended to read:

960.2. The board of supervisors may act to abandon any easement or to vacate any highway, mentioned in Section 954 or 960.1, by resolution. A certified copy of such resolution shall be recorded in the office of the county recorder. No fee shall be charged for such recordation. On such recordation, the abandonment or vacation is complete.

CHAPTER 520

An act to amend Sections 3570 and 3578 of the Elections Code, and to amend Section 88001 of the Government Code, relating to elections.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 3570 of the Elections Code is amended to read:

3570. The ballot pamphlet shall contain

(a) A complete copy of each state measure;

(b) A copy of the specific constitutional or statutory provision, if any, which would be repealed or revised by each state measure;

(c) A copy of the arguments and rebuttals for and against each state measure;

(d) A copy of the analysis of each state measure;

(e) Tables of contents, indexes, art work, graphics and other materials which the Secretary of State determines will make the

ballot pamphlet easier to understand or more useful for the average voter;

(f) A notice, conspicuously printed on the cover of the ballot pamphlet, indicating that additional copies of the ballot pamphlet will be mailed by the county clerk upon request.

SEC. 2. Section 3578 of the Elections Code is amended to read:

3578. The Secretary of State shall furnish each county clerk with as many copies of the ballot pamphlets as needed to comply with the provisions of this code. The ballot pamphlets shall be furnished not less than 45 days before the election at which the measures contained in the ballot pamphlets are to be voted on. The county clerk shall mail one copy of the ballot pamphlet to each registered voter residing in the county, at the postal address stated on his or her affidavit or registration, provided, upon the appropriate action of the board of supervisors, that only one ballot pamphlet shall be mailed to two or more registered voters having the same surname and the same postal address. The mailing of ballot pamphlets to voters who register prior to the 53rd day before the election shall be completed not more than 40 nor less than 21 days before the day fixed by law for the election, and no other official publication of such measures shall be made. The mailing of the ballot pamphlets to those voters who register between the 54th and 29th day shall be completed at least 10 whole days before the election. The county clerk shall mail a ballot pamphlet to any person requesting a ballot pamphlet. Three copies, to be supplied by the Secretary of State, shall be kept at every polling place, while an election is in progress, so that they may be freely consulted by the voters.

SEC. 3. Section 88001 of the Government Code is amended to read:

88001. The ballot pamphlet shall contain

(a) A complete copy of each state measure;

(b) A copy of the specific constitutional or statutory provision, if any, which would be repealed or revised by each state measure;

(c) A copy of the arguments and rebuttals for and against each state measure;

(d) A copy of the analysis of each state measure;

(e) Tables of contents, indexes, art work, graphics and other materials which the Secretary of State determines will make the ballot pamphlet easier to understand or more useful for the average voter;

(f) A notice, conspicuously printed on the cover of the ballot pamphlet, indicating that additional copies of the ballot pamphlet will be mailed by the county clerk upon request.

SEC. 4. The Legislature finds and declares that the changes made in the Political Reform Act of 1974 (Title 9 (commencing with Section 81000) of the Government Code) by this act are in furtherance of the purposes of the Political Reform Act.

SEC. 5. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because there are

savings as well as costs in this act which, in the aggregate, do not result in additional net costs.

CHAPTER 521

An act to amend Sections 13960, 13962, 13964, and 13966 of, and to add Section 13969.1 to, the Government Code, relating to victims of crime.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 13960 of the Government Code is amended to read:

13960. As used in this article:

(a) "Victim" shall mean:

(1) A person who sustains physical injury or death as a direct result of a crime of violence;

(2) Anyone legally dependent for his support upon a person who sustains physical injury or death as a direct result of a crime of violence; and

(3) In the event of a death caused by a crime of violence, any individual who legally assumes the obligation, or who voluntarily pays the medical or burial expenses incurred as a direct result thereof.

(b) "Crime of violence" shall mean a crime or public offense as defined in Section 15 of the Penal Code which results in physical injury to a resident of this state, including such a crime or public offense, wherever it may take place, when such resident is temporarily absent from the state. No act involving the operation of a motor vehicle, aircraft, or water vehicle which results in injury or death shall constitute a crime of violence for the purposes of this article, except that a crime of violence shall include:

(1) Injury or death intentionally inflicted through the use of a motor vehicle, aircraft, or water vehicle; or,

(2) Injury or death sustained in an accident caused by a driver in violation of Section 20001, 23101, 23102, 23105, or 23106 of the Vehicle Code.

(3) Injury or death sustained in an accident caused by a driver of a motor vehicle in the immediate act of fleeing the scene of a crime of violence in which he knowingly and willingly participated.

(c) "Board" shall mean the State Board of Control.

(d) "Pecuniary loss" shall mean the amount of medical or medical related expense and loss of income or support that the victim has incurred or will incur as a direct result of an injury or death to the extent that the victim has not been or will not be indemnified from

any other source. Said loss shall be in an amount of more than one hundred dollars ($100) or shall be equal to 20 percent or more of the victim's net monthly income, whichever is less.

SEC. 2. Section 13962 of the Government Code is amended to read:

13962. (a) The staff of the board shall review all applications for assistance in order to insure that they are complete. If the application is not complete, it shall be returned to the victim with a brief statement of the additional information required. The victim, within 30 days of receipt thereof, may either supply the additional information or appeal such action to the board which shall review the application to determine whether or not it is complete.

(b) If the application is accepted, it shall be referred to the Attorney General who shall promptly verify its contents and shall return the application for assistance and a report of his investigation to the board for its consideration. The board thereupon shall consider the application at a hearing at a time and place of its choosing. The board shall notify all interested persons, including the Attorney General, not less than five days prior to the date of the hearing.

(c) The victim shall cooperate with the Attorney General in the verification of the information contained in the application. Failure so to cooperate shall be reported to the board, which, in its discretion, may reject the application on this ground alone.

SEC. 3. Section 13964 of the Government Code is amended to read:

13964. After having heard the evidence relevant to the application for assistance, the board shall approve the application if a preponderance of the evidence shows that as a direct result of the crime the victim incurred an injury which resulted in a pecuniary loss which the victim is unable to recoup without suffering serious financial hardship.

(a) An application for assistance may be denied, in whole or in part, if:

(1) The board finds that such denial is appropriate because of the nature of the victim's involvement in the events leading to the crime or the involvement of the persons whose injury or death gave rise to the application; or

(2) The board finds that the victim will not suffer serious financial hardship, as a result of the loss of earnings or support and out-of-pocket expense incurred as a result of the injury which gave rise to the application for assistance pursuant to this article. In determining such serious financial hardship, the board shall consider all of the financial resources of the victim. The board shall establish specific standards by rule for determining such serious financial hardship.

(b) No victim shall be eligible for assistance under the provisions of this article if:

(1) The board finds that the victim or the person whose injury or death gave rise to the application knowingly and willingly participated in the commission of the crime; or

(2) The victim or the person whose injury or death gave rise to the

application failed to cooperate with a law enforcement agency in the apprehension and conviction of a criminal committing the crime.

SEC. 4. Section 13966 of the Government Code is amended to read:

13966. (a) The State of California shall be subrogated to the rights of the victim to whom cash payments are granted to the extent of the cash payments granted, less the amount of any fine imposed by the court on the perpetrator of the crime. Such subrogation rights shall be against the perpetrator of the crime or any person liable for the pecuniary loss.

(b) The state also shall be entitled to a lien on the judgment in the manner provided in Section 688.1 of the Code of Civil Procedure in the amount of such cash payments on any recovery made by or on behalf of the victim. The state may recover this amount in a separate action, or may intervene in an action brought by or on behalf of the victim. The state shall pay 25 percent of the amount of any recovery which is subject to a lien on the judgment in the manner provided in Section 688.1 of the Code of Civil Procedure to the county probation department or the victim responsible for recovery thereof from the perpetrator of the crime. The remaining 75 percent of the amount shall be deposited in the Indemnity Fund.

(c) In the event that the victim, his guardian, personal representative, estate, or survivors, or any of them, bring an action for damages against the person or persons liable for the injury or death giving rise to an award by the board under this article, notice of institution of legal proceedings, notice of settlement and all other notices required to be given to the judgment debtor pursuant to Chapters 1 (commencing with Section 681) and 2 (commencing with Section 714) of Title 9 of Part 2 of the Code of Civil Procedure, shall be given to the board in Sacramento except in cases where the board specifies that notice shall be given to the Attorney General. All such notices shall be given by the attorney employed to bring the action for damages or by the victim, his guardian, personal representative, estate, or survivors, if no attorney is employed.

SEC. 5. Section 13969.1 is added to the Government Code, to read:

13969.1. (a) The decisions of the board shall be in writing. Copies of the decisions shall be delivered to the applicant or to his representative personally or sent to them by mail.

(b) The board itself may order a reconsideration of all or part of the application for assistance on its own motion or on written request of the applicant or his representative. The board may not grant more than one such request on any application for assistance. The board shall not consider any such request filed with the board more than 30 days after the personal delivery or mailing of the original decision.

(c) Judicial review of a final decision made pursuant to this article may be had by filing a petition for a writ of mandate in accordance with the provisions of the Code of Civil Procedure. The right to petition shall not be affected by the failure to seek reconsideration before the board. Such petition shall be filed as follows:

(1) Where no request for reconsideration is made, within 30 days

of personal delivery or mailing of the board's decision on the application for assistance.

(2) Where a timely request for reconsideration is filed and rejected by the board, within 30 days of personal delivery or mailing of the notice of rejection.

(3) Where a timely request for reconsideration is filed and granted by the board, or reconsideration is ordered by the board, within 30 days of personal delivery or mailing of the final decision on the reconsidered application.

CHAPTER 522

An act to add Section 206.2 to the Revenue and Taxation Code, relating to the leasing of property granted the church exemption from property taxation.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 206.2 is added to the Revenue and Taxation Code, to read:

206.2. Any reduction in property taxes on leased property used exclusively for religious worship and granted the church exemption shall inure to the benefit of the organization entitled to the exemption. If the lease or rental agreement does not specifically provide that the church exemption is taken into account in fixing the terms of the agreement, the tenant shall receive a reduction in rental payments, or a refund of such payments, if paid, for each month of occupancy, or portion thereof, during the fiscal year equal to one-twelfth of the property taxes not paid during such fiscal year by reason of the church exemption.

SEC. 2. Section 1 of this act shall apply to contracts entered into on and after the effective date of this act.

CHAPTER 523

An act to amend Sections 52015 and 52501.5 of the Education Code, and to amend Section 52022.5 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, relating to schools, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 52015 of the Education Code is amended to read:

52015. In computing allowances authorized pursuant to Section 52013, the Superintendent of Public Instruction shall reduce each school's total of allowances by the amount apportioned to that school pursuant to Article 4 (commencing with Section 54160) of Chapter 2 of Part 29 of this division.

SEC. 2. Section 52022.5 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

52022.5. Any school which receives allowances for programs authorized pursuant to both Section 52013 and Article 4 (commencing with Section 54160) of Chapter 2 of Part 29 of this division, may utilize allowances authorized pursuant to Article 4 (commencing with Section 54160) of Chapter 2 of Part 29 of this division in grades 4, 5, and 6, or in kindergarten and grades 1, 2, and 3, for the purposes of and in the manner set forth in such article.

SEC. 3. Section 52501.5 of the Education Code is amended to read:

52501.5. (a) Except as provided in subdivision (b), no revenue derived from the average daily attendance of adult education programs shall be expended for other than adult education purposes; nor shall revenue derived from other average daily attendance be expended for adult education purposes.

(b) When a district's adult revenue limit as allowed by Section 43001 is composed of average daily attendance from both a regional occupational center or program and an adult education program, the adult revenue limit income may be allocated to each program in a proportion other than the amount of adult revenue limit per average daily attendance otherwise allocable thereto.

SEC. 4. The amendments made to Sections 52015, 52022.5, and 52501.5 of the Education Code by this act shall be deemed to have been operative for the entire 1976–77 and 1977–78 fiscal years. The public officers and employees charged with the duty to administer those provisions shall take all necessary and appropriate action to provide for such retroactive operation.

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

In order that the manner of support for special educational programs specified in this act may be changed commencing with the 1977–78 fiscal year, it is essential that this act take immediate effect.

CHAPTER 524

An act to amend Section 23 of the Ventura County Flood Control Act (Chapter 44 of the Statutes of 1944, Second Extraordinary Session), relating to the Ventura County Flood Control District.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 23 of the Ventura County Flood Control Act (Chapter 44 of the Statutes of 1944, Second Extraordinary Session) is amended to read:

Sec. 23. All contracts for any improvement or unit of work except as hereinafter provided estimated to cost in excess of five thousand dollars ($5,000) shall be let to the lowest responsible bidder in the manner hereinafter provided. The said board of supervisors of said district shall advertise by three (3) insertions in a daily newspaper of general circulation or two (2) insertions in a weekly newspaper of general circulation printed and published in said district inviting sealed proposals for the construction of, the improvement or work before any contract shall be made therefor, and may let by contract separately any part of said work or improvement. The board shall require the successful bidder to file with the board good and sufficient bonds to be approved by the board conditioned upon the faithful performance of the contract and upon the payment of their claims for labor and material in connection therewith, such bonds to contain the terms and conditions set forth in Chapter 3 of Division 5 of Title 1 of the Government Code and to be subject to the provisions of that chapter. The board shall also have the right to reject any and all bids. In the event all proposals are rejected or no proposals are received pursuant to advertisement therefor, or where the estimated cost of such work does not exceed the sum of five thousand dollars ($5,000), or the work consists of channel protection, or maintenance work, or emergency work when necessary in order to protect life and property from impending flood damage, the board of supervisors may without advertising for bids therefor have said work done by force account or negotiated contract. The district shall have the power to purchase in the open market without advertising for bids therefor, materials, supplies, equipment and other personal property for use in any work therewith either under contract or by force account where the cost thereof does not exceed five thousand dollars ($5,000). It shall be the duty of the purchasing agent of Ventura County, as the ex officio purchasing agent of the Ventura County Flood Control District, unless otherwise ordered by the board of supervisors, to purchase for the district all materials, supplies, equipment and other personal property necessary to carry out the purposes of this act, and to engage independent contractors

to perform sundry services for the district, where the aggregate cost of such work, exclusive of materials to be furnished by the district, does not exceed five thousand dollars ($5,000). The purchasing agent shall make all such purchases and contracts upon proper requisition therefor, signed by the engineer-manager of the district, or his authorized representative.

CHAPTER 525

An act to add Section 14672.92 to the Government Code, relating to state property.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 14672.92 is added to the Government Code, to read:

14672.92. Notwithstanding Section 14670, the Director of General Services, with the consent of the State Department of Health, may let to a nonprofit corporation, for the purpose of conducting an educational and work program for mentally retarded persons, and for a period not to exceed 50 years, real property not exceeding 18.50 acres located within the grounds of the Camarillo State Hospital at 1732 Lewis Road in the City of Camarillo.

The lease authorized by this section shall be nonassignable and shall be subject to periodic review every five years. Such review shall be made by the Director of General Services and the Director of the Department of Health who shall:

(a) Assure the state the original purposes of the lease are being carried out;

(b) Determine what, if any, adjustment should be made in the terms of the lease.

CHAPTER 526

An act to amend Sections 6715, 6734.1, 6734.2, 6751, 6755, and 8712 of the Business and Professions Code, relating to State Board of Registration for Professional Engineers.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 6715 of the Business and Professions Code is amended to read:

6715. The secretary shall keep a complete record of all applications for registration and the board's action thereon and, once every four years, shall prepare a roster showing the names and addresses of all registered professional engineers. Between July 1 and December 1 in each year, except the year in which the roster is prepared, he shall prepare a supplemental roster showing changes in and additions to the roster.

A copy of the roster and the supplemental roster shall be filed with the Secretary of State. Copies of each shall be available on application to the secretary, at such price per copy as may be fixed by the board.

SEC. 2. Section 6734.1 of the Business and Professions Code is amended to read:

6734.1. Any person practices electrical engineering when he professes to be an electrical engineer or is in responsible charge of electrical engineering work.

SEC. 3. Section 6734.2 of the Business and Professions Code is amended to read:

6734.2. Any person practices mechanical engineering when he professes to be a mechanical engineer or is in responsible charge of mechanical engineering work.

SEC. 4. Section 6751 of the Business and Professions Code is amended to read:

6751. (a) The applicant for registration as a professional engineer shall:

(1) Not have committed acts or crimes constituting grounds for denial of registration under Section 480;

(2) Except as provided in Section 6767, furnish evidence of six years or more of experience in engineering work satisfactory to the board evidencing that applicant is competent to practice the character of engineering in the branch for which he is applying for registration, and successfully pass the second division of the examination.

(b) The applicant for certification as an engineer-in-training shall:

(1) Not have committed acts or crimes constituting grounds for denial of registration under Section 480;

(2) Successfully pass the first division of the examination.

Graduation from an engineering school or college where the curriculum has been approved by the board shall count as four years of experience and each year of study completed without graduation in an engineering school or college where the curriculum has been approved by the board shall count as one-half year of experience, except that applicants for registration in any branch of professional engineering shall not receive credit for more than four years of experience because of undergraduate educational qualifications. The board, may in its discretion consider graduation in a nonaccredited engineering curriculum, as equivalent to not more than two years experience.

SEC. 5. Section 6755 of the Business and Professions Code is amended to read:

6755. (a) Examination duration and composition shall be designed to conform to the following general principle: The first division of the examination shall test the applicant's knowledge of appropriate fundamental engineering subjects, including mathematics and the basic sciences; the second division of the examination shall test the applicant's ability to apply his knowledge and experience and to assume responsible charge in the professional practice of the branch of engineering in which the applicant is being examined.

(b) The applicant for the second division of the examination shall have successfully passed the first division examination or shall be exempt therefrom.

(c) The board may by rule provide for a special examination, either oral, written, or a combination of both, for those applicants whose age, education, and experience qualifications substantially exceed the requirements of Section 6751.

SEC. 6. Section 8712 of the Business and Professions Code is amended to read:

8712. The secretary shall prepare, once every four years, a roster showing the names and addresses of all licensed land surveyors and containing all the rules and regulations adopted by the board for the administration of this chapter. The roster shall be a part of the roster of registered professional engineers issued by the board. Between July 1 and December 1 of each year, except the year in which the roster is prepared, he shall prepare a supplemental roster showing changes in and additions to the roster.

Copies of the roster and the supplemental roster shall be filed with the Secretary of State.

Copies of the roster and the supplemental roster shall be available to the general public on application to the secretary at such price per copy as may be fixed by the board.

All records shall be public records.

CHAPTER 527

An act relating to water districts and in this connection to create the Monterey Peninsula Water Management District for the collection, conservation, storage, reclamation, treatment, disposal, distribution, and delivery of water and sewage within the agency, and prescribing its organization powers and duties.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977]

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

PART 1. INTRODUCTORY PROVISIONS

CHAPTER 1. SHORT TITLE

SECTION 1. This act shall be known and may be cited as the Monterey Peninsula Water Management District Law.

CHAPTER 2. LEGISLATIVE FINDINGS

SEC. 2. The Legislature hereby finds that water problems in the Monterey Peninsula area require integrated management. The major water supply for this area is derived from the Carmel River basin and the major uses lie outside that basin. The adopted central coast basin plan divides the management of the several basins, resulting in division, waste, and shortage of water resources.

The Legislature further finds and declares that within the Monterey Peninsula area, there is need for conserving and augmenting the supplies of water by integrated management of ground and surface water supplies, for control and conservation of storm and wastewater, and for promotion of the reuse and reclamation of water. In this region of primarily scenic, cultural, and recreational resources, which are particularly sensitive to the threat of environmental degradation, such need cannot be effectively met on a piecemeal basis.

The Legislature further finds and declares that, within the Monterey Peninsula area which will be served by the public district created by this law, the water service is principally supplied by a privately owned water supplier which does not have the facilities nor the ability to perform functions which are normally performed by public agencies, including the ability to raise sufficient capital for necessary public works, contract with, or provide necessary assurances to, federal and state agencies for financing of water projects and supplying of water, and the regulation of the distribution of water developed within or brought into such service area. Therefore, the Legislature finds and declares that it is necessary to create a public agency to carry out such functions which only can be effectively performed by government, including, but not limited to, management and regulation of the use, reuse, reclamation, conservation of water and bond financing of public works projects.

In order to serve the people of the Monterey Peninsula efficiently, to prevent waste or unreasonable use of water supplies, to promote the control and treatment of storm water and wastewater, and to conserve and foster the scenic values, environmental quality, and native vegetation and fish and wildlife and recreation in the Monterey Peninsula and the Carmel River basin, it is, therefore, hereby declared that a general law cannot be made applicable to such area, and that the enactment of this special law is necessary for the public welfare and for the protection of the environmental quality and the health and property of the residents therein.

CHAPTER 3. DEFINITIONS

SEC. 5. Unless the context otherwise requires, the definitions in this chapter shall govern the construction of this law.

SEC. 6. The definition of a word applies to any of its variants.

SEC. 7. "District" means the Monterey Peninsula Water Management District.

SEC. 8. "Public entity" or "entity" means a city, county, municipality, municipal water district, public utility district, sanitary district, sanitation district, irrigation district, county water district, California water district, water conservation district, reclamation district, water district, flood control district, county water agency, county water authority, organized under the laws of the State of California, or any other public corporation, subdivision, district, or political subdivision of the state having power to appropriate or otherwise acquire water or water rights, or to collect, conserve, store, reclaim, treat, dispose, distribute, or deliver water to or from water users or public entities, or to collect, treat, reclaim, or dispose of sewage, waste or storm waters, or to acquire, construct, or operate facilities for any of the foregoing.

"Public entity" or "entity" shall include the United States of America, or its agencies, boards, commissions, bureaus, departments, or any other political subdivision of the United States to the extent permitted by law.

SEC. 9. "Board" and "board of directors" means the governing board of directors of the district elected or appointed pursuant to Chapter 1 (commencing with Section 201) of Part 3 of this law.

SEC. 10. "Member unit" means a city, county, public district, or other political subdivision of the state, which enters into a contract with the district for the purposes of collection, treatment, transmission, reclamation, or disposal of sewage, industrial waste, or storm water, or any combination thereof, and which entity lies wholly within the boundaries of the district.

SEC. 11. "County" means the County of Monterey, State of California.

SEC. 12. "United States" means and includes the United States of America and all bureaus, commissions, divisions, departments, boards, agencies, and officers of the executive branch thereof, and all committees of the Congress of the United States of America.

SEC. 13. "State" means the State of California, including any one or more of the bureaus, commissions, divisions, departments, boards, agencies, and officers of the State of California.

SEC. 14. "Work" or "works" includes, but is not limited to, dams and damsites, reservoirs and reservoir sites, and all conduits and other facilities useful in the control, collection, conservation, storage, reclamation, treatment, disposal, diversion, and transmission of water, the collection, treatment, reclamation, or disposal of sewage, waste, or storm waters, and all land, property, franchises, easements, rights-of-way, and privileges necessary or useful to operate, maintain,

repair, or replace any of the foregoing.

SEC. 15. "Participating zone" means two or more zones of the district.

SEC. 16. "May" is permissive and "shall" is mandatory.

SEC. 17. "Elector" or "qualified elector" or "voter" or "qualified voter" means any elector of the district qualified under the laws of the state to vote in the district at general elections.

SEC. 18. "Zone" or "improvement zone" means any area designated within the district created in order to finance, construct, acquire, reconstruct, maintain, operate, extend, repair, or otherwise improve any work or improvement of common benefit to such area, as specified in this law.

SEC. 19. "Supplemental source" means a source of water from outside the watershed of the Carmel River, including, but not limited to, water produced from the State Water Resources Development System.

SEC. 20. "Basin production percentage" means the ratio that all water to be produced from ground water supplies within the district bears to all water to be produced by producers and diverters within the district from supplemental sources as well as from ground water within the district during the ensuing fiscal year.

PART 2. FORMATION

CHAPTER 1. CREATION AND TERRITORY

SEC. 101. There is hereby created a district known and designated as the "Monterey Peninsula Water Management District."

SEC. 102. The territory of the district shall be the following area:

Beginning at a point where the Northwesterly prolongation of the most Southerly line of a 9.52 acre tract of land shown as lot 120 on that certain map entitled "Locke-Paddon Company's Bayside Subdivision of Monterey City Lands", filed for record February 8, 1916 in Map Book 2 at Page 15, "Maps and Ranches Outside Lands", in the Office of the County Recorder, Monterey County, intersects the shoreline of the Pacific Ocean, thence from place of beginning;

Southeasterly along a straight line to the northwesterly corner of a 563.19 acre (U.S.A.) parcel of land as shown on Assessor's Map of Laguna Seca Rancho; thence;

In a southerly direction along the western boundary of said 563.19 acre parcel to the centerline of the Monterey-Salinas State Highway 68; thence;

Easterly along the centerline of the Monterey-Salinas State Highway 68 to the point of intersection with the centerline of Los Laureles Road, a county road; thence

Southerly along the centerline of said Los Laureles Road to the point of intersection with the Northeasterly line of Los Laureles Rancho; thence

Southeasterly along the Northeasterly line of Los Laureles Rancho to the most easterly corner thereof; thence

In a southwesterly direction along the southeasterly line of the Los Laureles Rancho to the most westerly corner of Parcel #1 (2,062 acres) of Los Tularcitos Rancho as shown on the Official Map of Monterey County, thence;

In a southeasterly direction along the southwesterly line of said Parcel #1 to the most easterly corner of Parcel #8, thence;

In a Southwesterly direction along the southeasterly line of Parcel #8 of said Tularcitos Rancho to the centerline of the Carmel Valley Road, a county road, thence;

In a Southeasterly direction along the centerline of the Carmel Valley Road to its intersection with the northerly projection of the range line between Ranges 2 and 3 East, MDM, thence;

In a southerly direction along the northerly projection of Ranges 2 and 3 East to its intersection with the southwesterly line of Los Tularcitos Rancho, said intersection being the northeasterly corner of fractional section 24, T17S, R2E, MDM, thence;

In a Southeasterly direction along the southwesterly boundary of the Los Tularcitos Rancho to its intersection with the centerline of the Cachagua Road, a county road; thence

In a general southeasterly direction along the centerline of the Cachagua Road to its intersection with the easterly line of Section 4, T18S, R3E, MDM, thence;

South along said easterly line of Section 4 to the southeaster corner of Section 9, said corner being also the common corner of Section 9, 10, 15 and 16, T18S, R3E, MDM, thence;

East along the southerly line of Section 10 to the Northeast corner of Section 15, T18S, R3E, MDM, thence;

South along the easterly section line of Section 15 to the Southwest corner of Section 14, T18S, R3E, MDM, thence;

East along the Southerly line of Section 14 to the northwest corner of Section 24, T18S, R3E, MDM, thence;

South along the westerly line of Section 24 to the southwest corner of Section 24, T18S, R3E, MDM, thence;

East along the Southerly line of Section 24 to the Southeast corner of Section 24, T18S, R3E, MDM, said corner being also the common corner of Sections 24 and 25, T18S, R3E and Sections 19 and 30, T18S, R4E, MDM, thence;

South along the westerly line of Section 30 to the Southwest corner of Section 30, T18S, R4E, MDM, thence;

East along the southerly line of Section 30 to the Northeast corner of Section 31, T18S, R4E, MDM, thence;

South along the easterly line of Section 31 to the Southwest corner of Section 32, T18S, R4E, MDM, thence;

East along the southerly line of Section 32, T18S, R4E, to the Northeast corner of Section 6, T19S, R4E, MDM, thence;

South along the easterly line of Sections 6 and 7 to the Southeast corner of Section 7, T19S, R4E, MDM, thence;

West along the southerly line of Section 7 to the common corner of Sections 7 and 18, T19S, R4E and Sections 12 and 13, T19S, R3E, MDM, thence;

North along the easterly line of Section 12 to the Northeast corner of Section 12, T19S, R3E, MDM, thence;

West along the northerly line of Section 12 to the Northwest corner of Section 12, T19S, R3E, MDM, thence;

South along the westerly line of Section 12 to the Southeast corner of Section 11, T19S, R3E, MDM, thence;

West along the southerly line of Sections 11 and 10 to the Northeast corner of Section 16, T19S, R3E, MDM, thence;

South along the easterly line of Section 16 to the Southeast corner of Section 16, T19S, R3E, MDM, thence;

West along the southerly line of Sections 16 and 17 to the Southwest corner of Section 17, T19S, R3E, MDM, thence;

North along the westerly line of Section 17 to the Southeast corner of Section 7, T19S, R3E, MDM, thence;

West along the southerly line of Section 7, T19S, R3E, and Section 12, T19S, R2E, MDM to the Southwest corner of Section 12, T19S, R2E, MDM, thence;

North along the westerly line of Section 12 to the Southeast corner of Section 2, T19S, R2E, MDM, thence;

West along the southerly line of Section 2 tc the Southwest corner of Section 2, T19S, R2E, MDM, thence;

North along the westerly line of Section 2 to the Northwest corner of Section 2, T19S, R2E, MDM, thence

East along the northerly line of Section 2, T19S, R2E to the Southeast corner of Section 35, T18S, R2E, MDM, thence;

North along the easterly line of Sections 35 and 26 to the Northeast corner of Section 26, T18S, R2E, MDM, thence;

West along the northerly line of Section 26 to the Southwest corner of Section 23, T18S, R2E, MDM, thence;

North along the westerly line of Section 23 to the Southeast corner of Section 15, T18S, R2E, MDM, thence;

West along the Southerly line of Sections 15 and 16 to the Southwest corner of Section 16, T18S, R2E, MDM, thence;

North along the westerly line of sections 16 and 9 to the Northwest corner of Section 9, T18S, R2E, MDM, thence;

East along the northerly line of Sections 9, 10, 11 and 12 to the common corners of Sections 1 and 12, T18S, R2E and Sections 6 and 7, T18S, R3E, MDM, thence;

North along the easterly line of Section 1, T18S, R2E, MDM to the most northeasterly corner of T18S, R2E, MDM, thence;

West along the standard township line between T17S and T18S, MDM, to the southwest corner of Section 35, T17S, R2E, MDM, thence;

North along the westerly line of Section 35 to the Southeast corner of Section 27, T17S, R2E, MDM, thence;

West along the Southerly line of Section 27 to the Southeast corner

of Section 27, T17S, R2E, MDM, thence;

North along the westerly line of Sections 27, 22, 15 and 10 all in T17S, R2E, MDM to a point on the Southwest boundary of Los Laureles Rancho, thence;

In a northwesterly direction along the southwesterly line of the Los Laureles Ranch to the Southwesterly corner thereof; thence;

In a northerly direction along the westerly line of the Los Laureles Rancho to its intersection with the 4th standard parallel line between T16S and T17S, MDM, thence;

West along the standard parallel line to its intersection with the easterly line of San Francisquito Rancho, thence;

In a northerly and northwesterly direction along the easterly and northerly boundary of said Rancho to the most northwesterly corner thereof, said point being also a point on the easterly line of El Potrero de San Carlos Rancho, thence:

In a northerly direction along the easterly line of El Potrero de San Carlos Rancho to its intersection with the northerly line of Section 27, T16S, R1E, MDM, said point being also the northwesterly corner of Section 27, T16S, R1E, MDM, thence;

In a westerly direction along the westerly projection of the northerly line of said Section 27 to a point on the westerly boundary of El Potrero de San Carlos Rancho, said point being also on the easterly line of San Jose Y Sur Chiquito Rancho, thence;

In a general southerly and northwesterly direction along the easterly boundary of said Rancho to its intersection with the Mt. Diablo Meridian line separating range 1 West and Range 1 East, said point being the most northwesterly corner of Section 30, T16S, R1E, MDM, as shown on the Official Map of Monterey County, thence;

South along the west lines of said Sections 30 and 31 to a point on the easterly boundary of San Jose Y Sur Chiquito Rancho, thence;

Southeasterly along the easterly boundary of said Rancho to its intersection with the north bank of Mal Paso Creek, thence;

In a general Westerly direction along the north bank of Mal Paso Creek to a point on the westerly boundary of the Carmel Riviera Mutual Water Company, said point being part of the Carmel Riviera Mutual Water Company article of incorporation boundary, file January 3, 1964, State of California, thence following the boundary of said water company

N 12° 45′ W, 57.83 feet; thence
N 48° 25′ E, 104.65 feet; thence
S 85° 16′ E, 22.10 feet; thence
N 77° 46′ E, 101.58 feet; thence
S 85° 42′ E, 106.47 feet; thence
N 47° 11′ E, 87.36 feet; thence
N 47° 54′ E, 163.97 feet; thence
N 40° 45′ E, 104.25 feet; thence
N 65° 39′ E, 55.44 feet; thence
N 49° 06′ E, 40.23 feet; thence
N 23° 07′ E, 52.56 feet; thence

N 21° 42′ E, 41.64 feet; thence
N 29° 39′ E, 50.07 feet; thence
S 72° 01′ E, 8.75 feet; thence
N 26° 17′ E, 246.01 feet; thence
N 5° 28′ W, 33.35 feet; thence
N 9° 47′ W, 50.66 feet; thence
N 19° 29′ W, 110.04 feet; thence
N 27° 30′ W, 93.94 feet; thence
N 57° 23′ W, 38.91 feet; thence
N 82° 09′ W, 76.69 feet; thence
N 53° 01′ W, 58.84 feet; thence
N 73° 02′ W, 114.95 feet; thence
S 46° 24′ W, 346.00 feet; thence
S 53° 33′ W, 47.76 feet; thence
S 78° 58′ W, 55.53 feet; thence
N 74° 48′ W, 49.78 feet; thence
N 40° 08′ W, 50.08 feet; thence
N 37° 51′ W, 50.25 feet; thence
N 31° 06′ W, 59.04 feet; thence
N 12° 22′ W, 96.88 feet; thence
N 4° 01′ W, 61.99 feet; thence
N 2° 27′ E, 229.48 feet; thence
N 1° 19′ W, 101.41 feet; thence
N 14° 51′ W, 108.81 feet; thence
N 20° 15′ W, 50.93 feet; thence
N 31° 54′ W, 67.75 feet; thence
N 27° 25′ W, 100.25 feet; thence
N 18° 05′ W, 97.53 feet; thence
N 8° 05′ E, 116.09 feet; thence
N 16° 37′ E, 100.19 feet; thence
N 15° 04′ E, 116.95 feet; thence
N 11° 53′ E, 100.87 feet; thence
N 3° 59′ E, 44.10 feet; thence
N 0° 32′ E, 150.13 feet; thence
N 2° 16′ E, 99.97 feet; thence
N 13° 24′ E, 42.65 feet; thence
N 8° 32′ E, 59.75 feet; thence
N 14° 36′ W, 51.04 feet; thence
N 2° 59′ E, 65.54 feet; thence
N 26° 33′ E, 79.87 feet; thence
N 35° 58′ E, 50.50 feet; thence
N 25° 00′ E, 101.79 feet; thence
N 9° 56′ E, 85.95 feet; thence
N 7° 42′ E, 151.82 feet; thence
N 9° 14′ W, 156.78 feet; thence
N 17° 52′ W, 156.26 feet; thence
N 33° 37′ W, 123.64 feet; thence
N 20° 27′ W, 106.50 feet; thence
S 80° 30′ W, 193.21 feet; thence

S 76° 44′ W, 110.91 feet; thence
N 78° 31′ W, 209.15 feet; thence
S 88° 00′ W, 140.18 feet; thence
S 84° 53′ W, 36.50 feet; thence
S 83° 02′ W, 50.99 feet; thence
N 88° 24′ W, 125.15 feet; thence
N 83° 00′ W, 43.04 feet; thence
N 68° 36′ W, 83.37 feet; thence
N 60° 37′ W, 119.78 feet; thence
N 56° 43′ W, 350.16 feet; thence
N 55° 55′ W, 50.03 feet; thence
N 58° 12′ W, 50.01 feet; thence
N 61° 40′ W, 50.08 feet; thence
N 59° 20′ W, 150.22 feet; thence
N 60° 13′ W, 124.12 feet; thence
N 62° 57′ W, 617.73 feet; thence
N 71° 40′ W, 345.58 feet; thence
N 76° 53′ W, 155.59 feet; thence
N 79° 55′ W, 61.26 feet; thence
N 84° 00′ W, 84.03 feet; thence
N 83° 24′ W, 113.68 feet; thence
N 82° 13′ W, 233.24 feet; thence
N 88° 04′ W, 112.66 feet; thence
S 83° 49′ W, 104.10 feet; thence
S 72° 12′ W, 517.75 feet; thence
S 70° 22′ W, 228.24 feet; thence
S 62° 44′ W, 446.04 feet; thence
S 73° 20′ W, 64.16 feet; thence
S 77° 21′ W, 324.25 feet; thence
S 78° 31′ W, 348.06 feet; thence
S 83° 51′ W, 293.30 feet; thence
N 81° 22′ W, 132.48 feet; thence
S 76° 03′ W, 57.77 feet; thence
S 4° 35′ W, 34.68 feet; thence
S 62° 08′ W, 240.75 feet; thence
S 79° 19′ W, 95.26 feet; thence
S 52° 24′ W, 111.40 feet; thence
S 85° 06′ W, 95.42 feet; thence
N 86° 51′ W, 98.26 feet; thence
S 76° 54′ W, 55.08 feet; thence
S 56° 31′ W, 148.80 feet; thence
S 85° 07′ W, 127.90 feet; thence
N 64° 30′ W, 156.74 feet; thence
N 57° 18′ W, 62.67 feet; thence
S 54° 27′ W, 138.68 feet; thence
S 86° 30′ W, 50.26 feet; thence
S 52° 03′ W, 88.20 feet; thence
S 68° 26′ W, 115.84 feet; thence
S 72° 30′ W, 57.02 feet; thence

N 11° 10' W, 596.64 feet; thence

S 82° 50' W, 1175.58 feet, to a point on the bank of the Pacific Ocean, said point being on the line dividing the lands of Joe Victorine from the lands of Carmel Highlands, as shown on a map filed for record May 12, 1928, in Volume 3 of Surveys, Page 123, Records of Monterey County, California; thence

Northerly along the bank of the Pacific Ocean to the point of beginning.

CHAPTER 2. FORMATION ELECTION

SEC. 121. The board of supervisors of the county, on or before February 1, 1978, shall call and give notice of an election to be held in the district for the purpose of determining whether it shall begin to function and exercise its powers and for the selection of persons who shall serve as directors of the district if it shall begin to function and exercise its powers.

SEC. 122. The election shall be held not less than 75 days, nor more than 100 days, after January 1, 1978. The election shall be conducted and the first elective directors, and those succeeding, shall be nominated and elected pursuant to the provisions of the Uniform District Election Law (Part 3 (commencing with Section 23500) of Division 14 of the Elections Code) as nearly as may be practicable, including, in the discretion of the board of supervisors of the county, use of all-mailed ballots. Such first elective directors shall be registered to vote within the district.

SEC. 123. Notice of the election shall be given pursuant to Section 23511 of the Elections Code, except that such notice shall also contain:

(a) The name of the agency.

(b) The proposition to be voted on, as follows:

"Shall the Monterey Peninsula Water Management District begin to function and exercise its powers in accordance with the provisions of the Monterey Peninsula Water Management District Law?"

(c) A statement that the first elected directors will be elected at that election, and such directors will take office if a majority of the voters voting on the proposition vote that the district shall begin to function and exercise its powers.

SEC. 124. There shall be printed on the ballot, together with the names of the candidates for elected director, the following question: "Shall the Monterey Peninsula Water Management District begin to function and exercise its powers in accordance with the provisions of the Monterey Peninsula Water Management District Law?" following which question shall be the words "Yes" and "No" on separate lines, with a voting square at the right of each, in which the voter shall indicate by stamping a cross (+) his vote for or against the proposition.

If a majority of the voters voting on the proposition vote in its favor, the board of supervisors of the county shall canvass the returns

for directors and those five persons receiving the highest number of votes shall be declared elected. The district shall begin to function and shall exercise its powers, and the board of supervisors of the county within 15 days after the election, shall by resolution enter on its minutes a declaration that the district has begun to function and exercise its powers, giving the name of the district, the purposes for which it is formed, and describing its boundaries.

No informality in any proceedings, including informality in the conduct of any election not substantially affecting adversely the legal rights of any person, shall invalidate the organization of the district.

SEC. 125. If less than a majority of the votes cast at the election is in favor of the proposition that the agency should begin to function and exercise its powers, the board of supervisors of the county may call another election on the proposition upon the petition of 5 percent of the voters within the district.

CHAPTER 3. GENERAL PROVISIONS

SEC. 131. If any provision of this act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

SEC. 132. The inclusion within the district of the corporate area, in whole or in part, of any public entity, shall not destroy the identity or legal existence nor impair the powers of such public entity, notwithstanding the identity of purpose, or substantial identity of purpose, of the district.

SEC. 133. The Monterey Peninsula Water Management District is hereby declared to be and is a body politic and corporate, and as such shall have, among others, the powers enumerated in this law and such other powers as the law may provide.

SEC. 134. The district, in order to determine the legality of its existence, in addition to any other remedy it may have for that purpose, may institute a proceeding therefor in the Superior Court of the State of California in and for the County of Monterey, by filing a complaint setting forth the name of the district, its exterior boundaries, the date of its organization, and a prayer that it be adjudged a legal district formed under this law. The summons in such proceeding shall be served by publishing a copy thereof in the district pursuant to Section 6064 of the Government Code. Within 30 days after the last publication of the summons shall have been completed, the state, any property owner or resident or registered voter in the district, or any person interested, may appear and answer such complaint, in which case such answer shall set forth the facts relied upon to show the invalidity of the district and shall be filed in such proceeding. If an answer be filed, the court shall proceed as in other civil cases. Such proceeding is hereby declared to be a proceeding in rem and the judgment rendered therein shall

be conclusive against all persons whomsoever and against the State of California. Appeals may be taken from such judgment in the same manner as in other civil cases. The procedure provided by this section shall be cumulative and not exclusive.

SEC. 135. The provisions of Chapter 6.6 (commencing with Section 54773) of Division 2 of Title 5 and of Chapter 1 (commencing with Section 56000) of Part 1 of Division 1 of Title 6 of the Government Code do not apply to the formation of the district or to the creation of any zone therein.

SEC. 136. The provisions of the Uniform District Election Law (Part 3 (commencing with Section 23500), Division 14, Elections Code), so far as they may be applicable, shall govern all general Monterey Peninsula Water Management District elections, and the provisions of the Elections Code, so far as they may be applicable shall govern all special Monterey Peninsula Water Management District elections, except as in this law otherwise provided.

PART 3. INTERNAL ORGANIZATION

CHAPTER 1. BOARD OF DIRECTORS

SEC. 201. All powers, privileges, and duties vested in or imposed on the district shall, except as otherwise provided, be performed by and through the board of directors.

SEC. 202. The board shall consist of seven members selected in accordance with this chapter.

SEC. 203. Five members shall be elected by the qualified electors in the district. One member shall be a member of the board of supervisors of the county residing in the district, appointed by such board of supervisors, serving at the pleasure of such board of supervisors, and serving ex officio. One member shall be the chief executive officer, mayor, or member of the governing body of a city which is a member unit who shall be appointed by the city selection committee of the county pursuant to the provisions of Article 11 (commencing with Section 50270) of Chapter 1 of Part 1 of Division 1 of Title 5 of the Government Code, serving at the pleasure of the appointing power, and serving ex officio.

SEC. 204. Each elected member of the board shall be a voter of the district.

SEC. 205. The term of office of each elective member of the board shall be four years, provided, however that the first five elective members shall, by lot, determine that two directors shall serve for two years and three directors for four years. A vacancy in the office of elected member of the board shall be filled pursuant to Section 1780 of the Government Code. The qualification of voters and the election of the elected members of the board shall be in accordance with the provisions of the Uniform District Election Law (Part 3 (commencing with Section 23500), Division 14, Elections Code) except as otherwise provided in this part.

SEC. 206. Each member of the board shall receive for each attendance at the meetings of the board the sum of thirty dollars ($30). No director, however, shall receive pay for more than three meetings in any calendar month. In addition to such compensation, each member shall be allowed his actual, necessary, and reasonable traveling expenses.

CHAPTER 2. ALTERNATE METHOD OF CONDUCTING ELECTIONS OF ELECTED MEMBERS OF THE BOARD

SEC. 221. The district may, by resolution adopted by a majority of the members of the board at least 140 days before the next general district election, be divided into as many divisions as there are elected members of the board. All directors thereafter elected shall be residents of their division and shall be registered voters at the time of their election and during their term of office.

SEC. 222. After the adoption of the resolution by the board to establish resident voting divisions in the district, the board of directors shall establish the boundaries of the divisions on the basis of equalizing as nearly as practicable the number of registered voters in each division. The board shall from time to time reestablish such boundaries on such basis. The creation or modification of divisions shall not affect the term of any director until his term shall expire.

SEC. 223. At the first election of directors following the adoption of the resolution by the board establishing resident voting divisions, the number of directors to be elected shall correspond with the number of directors whose terms expire. The directors whose terms have not expired shall serve their unexpired terms under the qualifications to hold office that existed prior to the adoption of the resolution establishing resident voting divisions. In such first election and in all subsequent elections, the form of the ballot and the conduct of the election shall be governed by the Uniform District Election Law for resident voting districts.

SEC. 224. Any actions taken by the board and any proceedings taken by the district in connection therewith, prior to the adoption of the resolution changing the method of voting, shall not be affected by such resolution.

CHAPTER 3. PROCEEDINGS

SEC. 251. The board shall hold its first meeting as soon as possible after the election of the first members of the board. The board shall elect one of its members chairman, and shall thereupon provide for the time and place of holding its meetings and the manner in which special meetings may be called upon adequate notice to the public. At the first meeting in the month of January of each year, or at the next meeting following the creation of a vacancy in the office of chairman, the board shall choose one of its members chairman and one of its members vice chairman.

SEC. 252. The chairman of the board shall preside at all meetings of the board. In the case of the absence or inability to act of the chairman or vice chairman, the members present shall by a resolution entered in the records of the board, select one of their number to act as temporary chairman. Any member of the board may administer oaths when necessary in the performance of his official duties.

SEC. 253. A majority of the members of the board shall constitute a quorum for the transaction of business. The board shall act only by ordinance, resolution, or motion. On all ordinances, the roll shall be called and the ayes and noes recorded in the records of the board. Resolutions and motions may be adopted by voice vote, but on demand of any member the roll shall be called. Except as otherwise provided in this act, no ordinance, resolution, or motion shall be passed nor become effective without the affirmative vote of the majority of the members of the board.

SEC. 254. Votes of the members of the board shall not be cast nor exercised by proxy.

SEC. 255. The board may appoint a secretary, treasurer, attorney, chief engineer, general manager, and auditor as officers of the district or may contract with any other public entity for the performance of such duties or services of the district as are carried out by the officers and employees for such other public entity to the extent necessary to carry out the provisions of this act. The board shall define the duties and fix the compensation of such officers appointed by the board and each shall serve at the pleasure of the board. Such officers may be authorized by the board to employ or contract for the services of such additional assistants and employees as they may deem necessary to efficiently maintain and operate the administration of the district. The board may consolidate the offices of secretary and treasurer and the offices of chief engineer and general manager.

SEC. 256. The board may by ordinance adopt reasonable rules and regulations to carry out its powers and duties not inconsistent with this or any other law, and may amend, suspend, or repeal such rules and regulations at pleasure.

SEC. 257. No informality in any proceeding not substantially adversely affecting the legal rights of any citizen shall be held to invalidate the legal existence of the district and all proceedings in respect thereto shall be held to be valid and in every respect legal and incontestable.

SEC. 258. The board may delegate and redelegate the exercise of any and all executive, administrative, and ministerial powers to any of the officers appointed or contracted for pursuant to Section 255, except as otherwise provided by this law.

SEC. 259. The board shall fix the location of the principal place of business of the district and the location of all offices and departments maintained thereunder.

SEC. 260. The board may delegate and redelegate by ordinance

to the officers of the district, under such conditions and restrictions as shall be fixed by the board, the power to bind the district by contract.

SEC. 261. The board may require and fix the amount of all official bonds of all officers and employees necessary for the protection of the funds and property of the district.

SEC. 262. The board may prescribe, by ordinance, a personnel system.

SEC. 263. The board may prescribe a method of auditing and allowing or rejecting claims and demands.

SEC. 264. The board may provide by ordinance for the pensioning of officers or employees and the creation of a special fund for the purpose of paying such pensions, and the accumulation of contributions to the fund from the revenues of the district, the wages of officers or employees, voluntary contributions, gifts, donations, or any source of revenue not inconsistent with the general powers of the board, and to contract with any insurance corporation or any other insurance carrier for the maintenance of a service covering the pension of such officers or employees, and to provide in such ordinance for the terms and conditions under which such pensions shall be awarded, and for the time and extent of service of officers or employees before such pensions shall be available to them.

SEC. 265. The board shall designate a depository or depositories to have the custody of funds of the district. All funds of the district deposited with any depository shall be secured as required by law. Each such depository shall pay the warrants drawn by the treasurer for demands against the agency under such rules as the board may prescribe.

CHAPTER 4. PROHIBITIONS

SEC. 281. Except as provided in Section 283, no director, officer, or employee of the district shall in any manner be interested, directly or indirectly, in any contract or instrument to which the district is a party or in the benefits derived therefrom.

SEC. 282. A violation of Section 281 is a misdemeanor.

SEC. 283. The holding of an interest in a contract or instrument to which the agency is a party by a director, officer, or employee, or his derivation of benefit therefrom, shall not invalidate the contract or instrument, or constitute a violation of any law, in any of the following cases:

(a) If the director or other officer or employee owns or controls, directly or indirectly, not more than 5 percent of the outstanding stock or securities of any corporation which is a party to such contract or instrument.

(b) If the contract or instrument is entered into pursuant to the provisions of any ordinance or regulation of the agency of uniform application, and such ordinance or regulation was effective prior to the execution of such contract or instrument.

(c) If the contract is with a member entity and the director or other officer or employee of the agency is also a director, officer or employee of such member entity.

SEC. 284. The provisions of this chapter do not supersede, but are supplementary to and complement other applicable provisions of law.

PART 4. POWERS AND PURPOSES

CHAPTER 1. POWERS GENERALLY

SEC. 301. The district may exercise the powers which are expressly granted by this law, together with such powers as are reasonably implied from such express powers and necessary and proper to carry out the objects and purposes of the district.

SEC. 302. The district shall have perpetual succession.

SEC. 303. The district may adopt a corporate seal and alter it at pleasure.

SEC. 304. The district may do any of the following:

(a) Enter into contracts, employ and retain personal services. The board may cause construction or other work to be performed or carried out by contracts or by the district under its own supervision.

(b) Contract for, and perform contracts with public entities for performance of administration of the district, perform or contract for performance of tests, studies, and investigations as necessary and proper to carry out the objects and purposes of the district.

(c) Create, establish, and maintain such offices and positions as the board may determine are necessary and convenient for the transaction of the business of the district.

SEC. 305. The district may borrow money and incur indebtedness and issue bonds or other evidence of such indebtedness as provided in this law.

SEC. 306. The district may levy and collect taxes and assessments upon land and improvements to land within the district for the purposes of carrying on the operations and paying the obligations of the district, except that such taxes and assessments for the administration of the district, levied pursuant to Section 701, and exclusive of any zone tax or assessment levied pursuant to Section 437, exclusive of any tax or assessment levied pursuant to Section 533, exclusive of any tax or assessment levied to meet the bonded indebtedness of such district or any zone thereof and the interest thereon, exclusive of any tax or assessment levied to meet any obligation to the United States, and exclusive of any tax or assessment levied to meet any obligation to the state pursuant to Section 11652 of the Water Code, shall not exceed ten cents ($0.10) on each one hundred dollars ($100) of assessed valuation of such taxable property. The term "tax or assessment levied to meet the bonded indebtedness of such district or any zone thereof and the interest thereon" as used in this section shall also include, but shall not be limited to, any tax

or assessment levied pursuant to Section 681 to pay the principal of, or interest on, bond anticipation notes and any tax or assessment levied under the provisions of any resolution or ordinance providing for the issuance of bonds of the agency to pay, as the same shall become due, the principal of any term bonds which under the provisions of such resolution or ordinance are to be paid and retired by call or purchase before maturity with moneys set aside for that purpose.

SEC. 307. The district may issue bonds, borrow money, and incur indebtedness as authorized by law or this law, may refund such bonds, loans, or indebtedness by the issuance of refunding obligations following the same procedure if authorized by law or this law, and may retire any indebtedness or lien that validly exists against the district or its property.

SEC. 308. The district shall have the power by resolution or ordinance to adopt regulations respecting the exercise of its powers and the carrying out of its purposes, and to fix and collect rates and charges for the providing or the availability of any service it is authorized to provide or make available or for the sale, lease, or other disposition of water or other product of its works or operations, including standby charges and connection charges.

SEC. 309. The district shall have the power to plan, finance, acquire, construct, operate, and maintain facilities for the collection, transmission, treatment, reclamation, reuse, and disposal of sewage, waste, and storm water.

SEC. 310. The district may reimburse the county for any funds expended by the county in investigations, elections, other acts incidental to the establishment of the district, or for services performed for the district by the county.

CHAPTER 2. WATER

Article 1. Water Supply, Control, and Distribution

SEC. 325. The district shall have the power as limited in this law to do any and every lawful act necessary in order that sufficient water may be available for any present or future beneficial use or uses of the lands or inhabitants within the district, including, but not limited to, irrigation, domestic, fire protection, municipal, commercial, industrial, recreational, and all other beneficial uses and purposes.

SEC. 325.5. To the extent feasible, the district policy shall require development of the water sources within the district boundaries before utilizing water originating outside its boundaries.

SEC. 326. The district shall have the power:

(a) To sell, lease or otherwise dispose of water or any rights to the use of the works of the district subject to the provisions of Section 329.

(b) To fix, revise, and collect rates and charges for the services, facilities, or water furnished by it.

(c) To establish rules and regulations, consistent with the provisions of law and the rules and regulations of the state and county health officials, to protect the public health in the operation of the works, to provide for the sale, distribution, and use of water, and the services and facilities of the works, to provide that service, facilities, or water shall not be furnished to persons against whom there are delinquent charges, and to provide for charges for the restoration of service.

(d) To provide that charges for any of its services or facilities may be collected together with, and not separately from, the charges for other services or facilities rendered by it, or it may contract that all such charges be collected by any other private or public utility, and that such charges be billed upon the same bill and collected as one item.

(e) To provide that if all or part of a bill is not paid, the agency may discontinue any or all services or facilities for which the bill is rendered.

(f) To provide for the collection of charges. Remedies for their collection and enforcement are cumulative and may be pursued alternatively or consecutively as determined by the board.

(g) To provide for a basic penalty of not more than 10 percent for nonpayment of the charges within the time and in the manner prescribed by it, and, in addition, to provide for a penalty of not exceeding one-half of 1 percent per month for nonpayment of the charges and basic penalty. The district may provide for the collection of such penalties.

(h) To provide for the collection of the charge and penalties by making the same a lien upon the real property and collectible at the same time and in the same manner as taxes and assessments are so collected upon such real property.

SEC. 327. The district shall have the power to control the flood and storm waters of the district and the flood and storm waters of streams that have their sources outside of the district, which streams and floodwaters flow into the district, and to conserve such waters for beneficial and useful purposes of the district by spreading, storing, retaining, and causing to percolate into the soil within or without the district, or to save or conserve in any manner all or any of such waters and protect from damage from such flood or storm waters the watercourses, watersheds, public highways, life and property in the district, and the watercourses outside of the district of streams flowing into the district.

SEC. 328. The district shall have the power:

(a) To acquire public or private water systems necessary or proper to carry out the purposes of this law.

(b) To store water in surface or underground reservoirs within or outside of the district for the common benefit of the district.

(c) To conserve and reclaim water for present and future use within the district.

(d) To appropriate and acquire water and water rights, and

import water into the district and to conserve and utilize, within or outside of the district, water for any purpose useful to the district.

(e) To commence, maintain, intervene in, defend or compromise, in the name of the district on behalf of the landowners therein, or otherwise, and to assume the costs and expenses of any action or proceeding involving or affecting the ownership or use of waters or water rights, within or without the district, used or useful for any purpose of the district or of common benefit to any land situated therein, or involving the wasteful use of water therein.

(f) To commence, maintain, intervene in, defend, and compromise and to assume the cost and expenses of any and all actions and proceedings now or hereafter begun.

(g) To prevent interference with or diminution of, or to declare rights in, the natural flow of any stream or surface or subterranean supply of waters used or useful for any purpose of the disrict or of common benefit to the lands within the district or to its inhabitants.

(h) To prevent unlawful exportation of water from the district.

(i) To prevent, control, or abate waste, contamination, pollution, or otherwise rendering unfit for beneficial use, the surface or subsurface water used in or useful to the district or its inhabitants, and to commence, maintain, and defend actions and proceedings to prevent any such interference with such waters as may endanger or damage the inhabitants, lands, or use of water in, or flowing into, the district

(j) Notwithstanding any provision of this section to the contrary, the district shall have no power to intervene or take part in, or to pay the cost or expenses of, actions or controversies between the owners of lands or water rights which do not affect the interests of the district.

SEC. 329. Any water or rights to the use of the works of the district for the conservation, control, reclamation, or transportation of water may be sold, leased, or otherwise transferred by the district to member units, and the agency may fix and collect rates and charges for such purposes. The district may transfer such water or the use of district works to other than member units for use in or outside the district upon a temporary or short-term basis upon a finding by the board that such water or works exceed the needs of member units. Each contract for or sale of surplus water or the use of water facilities or other works of the district shall expressly state that the sale, disposition, or use is subject to the prior right to the use of such water, facilities, or other works of the district by or for the inhabitants of the district or for member units.

The provisions of this section shall not prevent the collection, treatment, reclamation, or disposal of sewage for other than inhabitants of the district or member units.

SEC. 330. The district may provide, sell, and deliver water and water service to the United States or to the state for any use or purpose pursuant to contract therefor. Such contract may be for permanent service, but shall provide for the furnishing of such water

or water service upon terms and conditions and at rates which will apportion an equitable share of the capital cost and operating expense of the district's works to the contractee.

SEC. 331. The district may provide, sell, and deliver surplus water not needed or required for domestic, municipal, irrigation, or fish and wildlife and recreation uses in the district for beneficial use, but shall give preference to uses within the district. Surplus water supplied by the district, whether by contract or otherwise, shall always be subject to discontinuance, in whole or in part, upon the determination, upon notice and hearing and the declaration by resolution adopted by a majority vote of the members of the board, that such water is needed or required for domestic or municipal uses within the district.

SEC. 332. Upon notice, hearing, and by ordinance duly adopted by the board, the district may restrict the use of district water during any emergency caused by drought, or other threatened or existing water shortage, and to prohibit the wastage of district water, or the use of district water during such periods, for any purpose other than household uses or such other restricted uses as may be determined to be necessary by the board. During such periods the district may prohibit the use of district water for specific uses which the district may from time to time find to be nonessential. Every ordinance adopted pursuant to this section shall be published pursuant to Section 6061 of the Government Code within 10 days after adoption in a newspaper of general circulation in the district published in the county.

Article 2. Ground Water Management

SEC. 341. The district shall encourage the coordination and integration of ground water supplies with surface water supplies and for such purposes shall have the additional powers provided in this article.

SEC. 342. Unless the context otherwise requires, the definitions of this section shall govern the construction of this article:

(a) "Person," "owner" or "operator" means public entities as defined in Section 8, private corporations, firms, partnerships, individuals or groups of individuals, whether organized or not; "owner" or "operator" also means the person to whom a water-producing facility is assessed by the county assessor, or, if not separately assessed, the person who owns the land upon which a water-producing facility is located.

(b) "Ground water" means nonsaline water beneath the natural surface of the ground, whether or not flowing through known and definite channels; "nonsaline water" means water which has less than 1,000 parts of chlorides to 1,000,000 parts of water, both quantities measured by weight.

(c) "Production" or "producing" means the extraction or extracting of ground water, by pumping or any other method, from

shafts, tunnels, wells (including, but not limited to, abandoned oil wells), excavations, or other sources of such ground water, for domestic, municipal, irrigation, industrial, or other beneficial use, except that such terms shall not mean or include the extraction of ground water produced in the construction or reconstruction of a well for, or water incidentally produced with, oil or gas in the production thereof, or water incidentally produced in a bona fide mining or excavating operation, or water incidentally produced in the bona fide construction of a tunnel, unless the ground water so extracted shall be used or sold by the producer for domestic, municipal, irrigation, industrial, or other beneficial purpose.

(d) "Water-producing facility" means any device or method, mechanical or otherwise, for the production of water from the ground water supplies within the district or a zone thereof.

(e) "Water year" means July 1 of one calendar year to June 30 of the following calendar year.

(f) "Agricultural water" means water first used on lands in the production of plant crops or livestock for market.

SEC. 343. The board shall have the power, in addition to the powers enumerated elsewhere in this law, to levy and collect a ground water charge for the production of water from the ground water supplies within a zone or zones of the district which will benefit from the augmentation of underground water supplies or the distribution of imported water in such zone or zones.

SEC. 343.5. Nothing in this law shall be construed to allow the district to levy or collect any charge against any land overlying a ground water basin for the production of water naturally occurring in the ground water basin for use on his or her overlying land.

SEC. 344. Prior to the establishment of any ground water charge, the board shall establish a zone or zones within the district within which the ground water charge will be effective. The zone or zones shall be established and may be amended to the extent and in the manner prescribed in Chapter 8 (commencing with Section 431).

SEC. 345. Ground water charges levied pursuant to this law are declared to be in furtherance of district activities in the protection and augmentation of the water supplies for users within a zone or zones of the district which are necessary for the public health, welfare, and safety of the people of this state. The ground water charges are authorized to be levied upon the production of ground water from all water-producing facilities, whether public or private, within such zone or zones of the district for the benefit of all who rely directly or indirectly upon the ground water supplies of such zone or zones and water imported into such zone or zones.

SEC. 346. The proceeds of ground water charges levied and collected upon the production of water from ground water supplies within such zone or zones of the district are authorized and shall be used exclusively by the board for the following purposes:

(a) To pay the costs of constructing, maintaining, and operating facilities which will import water into the district which will benefit

such zone or zones, including payments made under any contract between the district and the State of California, the United States of America, or any public, private or municipal utility.

(b) To pay the costs of purchasing water for importation into such zone or zones, including payments made under contract to the State of California, the United States of America, or any public, private or municipal utility.

(c) To pay the costs of constructing, maintaining and operating facilities which will conserve or distribute water within such zone or zones, including facilities for ground water recharge, surface distribution, and the purification and treatment of such water.

(d) To pay the principal or interest of any bonded indebtedness or other obligations incurred by the district on behalf of such zone or zones for any of the purposes set forth in this section.

The district may apply to any one or more of the purposes set forth in this section any or all revenues received by the district from water sale contracts executed by the district pursuant to this law.

SEC. 347. Within six months after the date of establishing any such zone or zones, all water-producing facilities located within the boundaries of such zone or zones shall be registered with the district and, if required by the board, measured with a water-measuring device satisfactory to the district installed by the district or at the district's option by the operator thereof. Any new water-producing facility, constructed or reestablished, or any abandoned water-producing facility which is reactivated, after such date, shall be registered with the district and, if required by the board, measured with a water-measuring device satisfactory to the district within 30 days after the completion or reestablishment, or reactivation thereof.

SEC. 348. Failure to register any water-producing facility, as required by this law, is a misdemeanor punishable by a fine of not to exceed five hundred dollars ($500).

SEC. 349. The district may prescribe the form for registration of such water-producing facilities, and shall include a requirement for information as to the owner or owners of the land upon which each water-producing facility is located, a general description and location of each water-producing facility, the name and address of the person charged with the operation of each water-producing facility, and the name or names and addresses of all persons owning or claiming to own an interest in the water-producing facility.

SEC. 350. The district shall annually prepare a written report upon the activities of the district in the protection and augmentation of the water supplies of the district. The report shall include, but not be limited to, the following information:

(a) A financial analysis of the water utility systems of the district.

(b) An analysis of the present and future water requirements of the district, the water supply available to the district, and the requirements for future capital improvements, and the requirements for maintenance and operation.

(c) The methods available for financing such future requirements.

(d) A recommendation as to whether or not a ground water charge should be levied in any zone or zones of the district during the ensuing water year.

(e) The proposed rates for agricultural water and for water other than agricultural water for each such zone in which a ground water charge is recommended.

SEC. 351. On the second Tuesday in February of each year the annual report shall be delivered to the clerk of the district. The clerk shall publish, pursuant to Section 6061 of the Government Code, a notice of the receipt of such report and of the public hearing to be held on the second Tuesday in March in a newspaper of general circulation published or circulated within the district, at least 10 days prior to the date at which the public hearing regarding such report shall be held. Such notice, among other information which the district may provide therein, shall contain an invitation to all operators of water-producing facilities within the district and to any person interested in the district's activities in the protection and augmentation of the water supplies of the district to call at the offices of the district to examine such report. There shall be held on the second Tuesday of March of each year, in the chambers of the board, a public hearing at which time any operator of a water-producing facility within the district, or any person interested in the district's activities in the protection and augmentation of the water supplies of the district, may in person, or by representative, appear and submit evidence concerning the subject of such written report.

SEC. 352. Prior to the end of the water year in which the hearing is held, and based upon the findings and determinations from the hearing, the board shall determine whether or not a ground water charge should be levied in any zone or zones. If the board determines that a ground water charge should be levied, it shall levy, assess, and affix such charge or charges against all persons operating ground water-producing facilities within such zone or zones during the ensuing water year. The charge shall be computed at a fixed and uniform rate per acre-foot for agricultural water, and at a fixed and uniform rate per acre-foot for all water other than agricultural water. Different rates may be established in different zones; provided, however, that in each zone the rate for agricultural water shall be fixed and uniform and the rate for water other than agricultural water shall be fixed and uniform.

Any ground water charge levied pursuant to this section shall be in addition to any general tax or assessment levied within the district or any zone or zones thereof.

Clerical errors occurring or appearing in the name of any person or in the description of the water-producing facility where the production of water therefrom is otherwise properly charged, or in the making or extension of any charge upon the records which do not affect the substantial rights of the assessee or assessees, shall not invalidate the ground water charge.

SEC. 353. The district, after the levying of the ground water charge, shall give notice thereof to each owner or operator of each water-producing facility in the zone or zones as disclosed by the records of the district, which notice shall state the rate for each class of water of the ground water charge for each acre-foot of water to be produced during the ensuing water year. The notice may be sent by postal card or by other first-class mail and with postage prepaid by the district.

SEC. 354. After the establishment of a zone in which a ground water charge may be levied, each owner or operator of a water-producing facility within such zone, until such time as such water-producing facility has been permanently abandoned, shall file with the district, on or before the 31st day of January and on or before the 31st day of July in each year, a statement setting forth the total production in acre-feet of water for the preceding six-months period (excluding the month in which the statement is due), a general description or number locating each water-producing facility, the method or basis of the computation of such water production, and the amount of the ground water charge based on such computation. If no water has been produced from such water-producing facility during the preceding six-months period, such statement shall be filed as provided for herein, setting forth that no water has been produced during such period. Such statement shall be verified by a written declaration that it is made under the penalties of perjury. The ground water charge is payable to the district on or before the last date upon which the water production statements shall be filed, and is computed by multiplying the production in acre-feet of water for each classification as disclosed in the statement by the ground water charge for each classification of water. At such time as any such water-producing facility has been permanently abandoned, the operator thereof shall give written notice of such abandonment to the district. If any operator of a water-producing facility shall fail to pay the ground water charge when due, the district shall charge interest at the rate of 1 percent each month on the delinquent amount of the ground water charge. The ground water charge and any interest or penalties thereon shall be collected as provided in Section 723 and as provided in this article.

Should any owner or operator of a water-producing facility fail to register each water-producing facility, or fail to file the water production statements as required by this law, the district shall, in addition to charging interest as provided herein, assess a penalty charge against such owner or operator in an amount of 10 percent of the amount found by the district to be due. The board may adopt regulations to provide that in excusable or justifiable circumstances such penalty may be reduced or waived.

When a water-measuring device is permanently attached to a water-producing facility, the record of production as disclosed by such water-measuring device shall be presumed to be accurate and shall be used as the basis for computing the water production of the

water-producing facility in completing the water production statement, unless it can be shown that the water-measuring device is not measuring accurately.

When a water-measuring device is not permanently attached to a water-producing facility, the board may establish a method or methods to be used in computing the amount of water produced from such water-producing facilities.

Such methods may be based upon any, or all, or a combination of some of the following criteria: the minimum charge sufficient to cover administrative costs of collection, size of water-producing facility discharge opening, area served by the water-producing facility, number of persons served by the water-producing facility, use of land served by the water-producing facility, crops grown on land served by the water-producing facility, or any other criteria which may be used to determine with reasonable accuracy the amount of water produced from such water-producing facility.

SEC. 355. Upon good cause shown, an amended statement of water production may be filed or a correction of the records may be made at any time prior to the final date for filing the next semiannual water production statement; provided, that if pursuant to Section 358, the owner or operator has been notified of a determination by the district that the production of water from the water-producing facility is in excess of that disclosed by the sworn statement covering such water-producing facility, and such owner or operator fails to protest such determination in the manner and in the time set forth in Section 358, he shall be precluded from later filing an amended water production statement for that period for such water-producing facility.

SEC. 356. The district shall prepare each year a record called "The Record of Water Production and Ground Water Charges" in which shall be entered a general description of the property upon which each water-producing facility is located, an identifying number or code which is assigned to such facility, the annual water production for each class of water produced from each water-producing facility, and the ground water charge for each class of water.

SEC. 357. The superior court in and for the County of Monterey may issue a temporary restraining order prohibiting operation of any water-producing facility upon the filing by the district with such court of a petition or complaint setting forth that the person named therein as defendant is the operator of a water-producing facility which has not been registered with the district, or that such defendant is delinquent in the payment of a ground water charge. Such temporary restraining order shall be returnable to such court on or before 10 days after its issuance.

The court may issue and grant an injunction restraining and prohibiting the named defendant from the operation of any water-producing facility when it is established at the hearing that the defendant has failed to register such water-producing facility with the district, or that the defendant is delinquent in payment of ground

water charges thereon. Such court may provide that the injunction so made and issued shall be stayed for a period not to exceed 10 days to permit the defendant to register the water-producing facility or to pay the delinquent ground water charge.

Service of process is completed by posting a copy of the summons and complaint upon the water-producing facility or the parcel of land upon which it is located and by personal service upon the named defendant.

The right to proceed for injunctive relief granted herein is an additional right to those which may be provided elsewhere in this law or otherwise allowed by law. The procedure provided in Chapter 3 (commencing with Section 525), Title 7, Part 2, of the Code of Civil Procedure, regarding injunctions shall be followed except insofar as it may herein be otherwise provided. The district shall not be required to provide an undertaking or bond as a condition to granting injunctive relief

SEC. 358. If the district has probable cause to believe that the production of water from any water-producing facility is in excess of that disclosed by the sworn statements covering such water-producing facility, or if no statements are filed covering any water-producing facility, the district may cause an investigation and report to be made concerning the production of water from each such water-producing facility. The district may fix the amount of water production from any such water-producing facility at an amount not to exceed the maximum production capacity of such water-producing facility; provided, however, where a water-measuring device is permanently attached thereto, the record of production, as disclosed by such water-measuring device, shall be presumed to be accurate.

After such determination has been made by the district, a written notice thereof shall be mailed to the person operating such water-producing facilities at his address as shown by the district's records. Any such determination made by the district shall be conclusive on all persons having an interest in such water-producing facility, and the ground water charge, interest and penalties thereon, shall be paid forthwith, unless such person files with the board within 15 days after the mailing of such notice, a written protest setting forth the ground or grounds for protesting the amount of production so fixed. Upon the filing of such protest, the board thereafter shall hold a hearing at which time the total amount of the water production and the ground water charge thereon shall be determined, which shall be conclusive if based upon substantial evidence. If the water production statement was filed and the amount disclosed thereon was paid within the time required by this law, and the board finds that the failure to report the amount of water actually produced resulted from excusable or justifiable circumstances, the board may waive the charge of interest on the amount found to be due. A notice of such hearing shall be mailed to the protestant at least 10 days before the date fixed for the hearing. Notice of the determination by

the board shall be mailed to each protestant, who shall have 20 days from the date of mailing to pay the ground water charge, interest, or penalties provided by the provisions of this act.

Notice as required in this section shall be given by deposit thereof in any postal facility regularly maintained by the government of the United States in a sealed envelope with postage paid, addressed to the person on whom it is served at his name and address as disclosed by the records of the district. The service is complete at the time of deposit.

SEC. 359. The district may bring a suit in the court having jurisdiction against any operator of a water-producing facility within the district for the collection of any delinquent ground water charge. The court having jurisdiction of such suit, may, in addition to allowing recovery of costs to the district as allowed by law, fix and allow interest and penalties as provided in Section 354 as part of the judgment. Should the district, as a provisional remedy in bringing such suit, seek an attachment against the property of any named defendant therein, the district shall not be required to provide a bond or undertaking as is otherwise provided for in Title 6.5 (commencing with Section 483.010), Part 2, of the Code of Civil Procedure.

SEC. 360. It shall be unlawful to produce water from any water-producing facility required to be registered pursuant to the terms of this article unless such water-producing facility has been registered with the district within the time required by the provisions of this article and, if required by the board, has a water-measuring device affixed thereto capable of registering the accumulated amount of water produced therefrom.

Violation of this provision shall be punishable by a fine not to exceed five hundred dollars ($500). Each day of operation in violation hereof shall constitute a separate offense.

SEC. 361. Any person who injures, alters, removes, resets, adjusts, manipulates, obstructs, or in any manner interferes or tampers with, or procures or causes or directs any person to injure, alter, remove, reset, adjust, manipulate, obstruct, or in any manner interfere or tamper with, any water-measuring device affixed to any water-producing facility as required by this law, so as to cause such water-measuring device to improperly or inaccurately measure and record such water production, or any person who willfully does not file with the district a water production statement as prescribed and within the time required by this law, or any person who willfully removes or breaks a seal attached to an abandoned water-producing facility, or any person who, with intent to evade any provision or requirement of this law, files with the district any false or fraudulent water production statement is guilty of a misdemeanor and is punishable by a fine not to exceed five hundred dollars ($500), or imprisonment in the county jail not to exceed six months, or by both such fine and imprisonment.

SEC. 362. In implementing the enforcement of the provisions of

this law relating to ground water charges, the district shall have the power, in addition to the powers enumerated elsewhere in this act:

(a) To install and maintain water-measuring devices, and other devices which will aid in determining accurate water production, on water-producing facilities not owned by the district.

(b) To affix seals to water-producing facilities which the owner or operator thereof has declared to be abandoned, or are in fact permanently abandoned.

(c) To enter on to any land for the purposes enumerated in this section and for the purpose of making investigations relating to water production. For such purposes, any authorized representative of the district, upon presentation of his credentials, or, if necessary under the circumstances, after obtaining an inspection warrant pursuant to Title 13 (commencing with Section 1822.50) of Part 3 of the Code of Civil Procedure, shall have the right of entry to any premises on which a water-producing facility is located for the purpose of inspecting such facility, including verifying accuracy of water-measuring devices or any records required to be maintained in connection therewith by federal, state, or local law, order, ordinance, regulation, or rule.

SEC. 363. No person, owner, or operator shall establish, extend, expand, or create a water distribution system unless and until the approval of the board is first obtained in writing. For the purposes of such approval, the board may adopt such rules and regulations and establish such forms for such applications as are necessary and proper. The board may provide by ordinance for exceptions to the requirement for approval for systems furnishing domestic water to three or fewer parcels or lots in the district.

SEC. 364. The board may determine, in the manner provided in this law, the basin production percentage as defined in Section 20.

SEC. 365. The district may require that producers produce more or less of their total water needs from the ground water within the district than the basin production percentage determined by the district as provided in this article.

SEC. 366. The district may distribute water to persons in exchange for ceasing or reducing ground water extractions and to fix the terms and conditions of any contract under which producers may agree to use water from an alternative nontributary source in lieu of ground water, and to such end the district may become party to such contract and pay from the district funds such portion of the cost of waters from an alternative source as will encourage the purchase and use of such water in lieu of producing ground water, so long as the persons or property within the district are directly or indirectly benefited by the resulting replenishment.

In such cases, vested rights to underlying ground water may be protected as provided in Section 1005.1 or 1005.4 of the Water Code, and such sections are applicable, for this purpose, in the district.

Article 3. Recreational Facilities

SEC. 368. The district may construct, maintain, improve, and operate public recreational facilities appurtenant to any water reservoir operated or contracted to be operated by the agency, and to provide by ordinance regulations binding on all persons to govern the use of such facilities, including, among others, regulations imposing reasonable charges for the use thereof. Violation of any such regulation shall be a misdemeanor.

CHAPTER 3. SEWAGE, INDUSTRIAL WASTE, AND STORM WATER

SEC. 371. Subject to the provisions of Section 376, the district may plan, finance, acquire, construct, operate, and maintain, either inside or outside its boundaries or both, facilities for the collection, treatment, transmission, reclamation, or disposal of sewage, industrial waste, or storm water, or any combination thereof, delivered to it by its own facilities or by one or more of the member units. The board may prescribe, revise, and collect, or cause to be collected, rates or other charges for the services and facilites furnished by the district pursuant to this chapter, including charges for connecting to its facilities.

SEC. 372. The governing board of any member unit may raise the funds necessary to make the payments required by any agreement with the district, (a) by taxation as permitted by the law pursuant to which such member unit was formed, (b) by charging the users of the facilities of such member unit an amount sufficient to raise such funds, (c) by a combination of both, or (d) in any other method by which such member unit may legally raise such funds; provided, however, that if, to raise such funds by taxation along with all other taxes of such member unit, any member unit must (i) exceed any then applicable limit on the tax rate of such member unit, or (ii) levy a total tax which must by law be levied by ordinance subject to referendum, then such member unit shall raise a sufficient portion of such funds by method other than taxation so that the tax levied by such member unit does not come within clause (i) or (ii) of this section.

SEC. 373. Improvement zones may be formed by the board within the district as provided in this law for the equitable distribution of costs of the planning, financing, acquisition, construction, operation, and maintenance of the facilities for the services of the district provided pursuant to this chapter of benefit to a particular area.

SEC. 374. Any member unit may contract with the district for use by the district of any capital improvements theretofore constructed by the member unit and required by the district for any district purpose. Each such contract may provide that the district shall pay to the member unit owning such capital improvements an annual use charge on or before June 30 in each year of the use of such

capital improvements by the district. Such charge may be equal to the principal of and interest on bonds of the member unit issued to pay the cost of such capital improvements that will become due and payable in the 12 months beginning on the next succeeding July 1, and may include reimbursement to the member unit for the cost of such capital improvements paid from funds other than the proceeds of the sale of bonds, or a combination of both, and may take into consideration any other relevant factor.

SEC. 375. The provisions of this chapter are in addition to, and supplementary to, any other provisions of law or this law which authorize the district to provide sewage services for the benefit of the land and inhabitants therein.

SEC. 376. The district shall not acquire, construct, operate or maintain any facilities for the collection, treatment, transmission, reclamation or disposal of sewage pursuant to the chapter within the boundaries of a sanitation district except upon the written consent of such sanitation district. The provisions of this section are additional to the provisions of Section 132.

CHAPTER 4. PROPERTY

SEC. 391. The district shall have the power to take absolutely or on condition, by grant, purchase, gift, devise, or lease, with or without the privilege of purchasing, or otherwise, real and personal property of any kind, or any interest in real or personal property, within or without the district, necessary to the full exercise of its powers and to hold, use, enjoy, and to lease or dispose of the same subject to the limitations set forth in Section 398.

SEC. 392. The district shall have the power within or outside the district to construct, purchase, lease, or otherwise acquire works useful or necessary for any purposes authorized by this law and to purchase, lease, appropriate, or otherwise acquire water and water rights useful or necessary to make use of water for any purposes authorized by this law.

SEC. 393. The district shall have the power to operate, repair, improve, maintain, renew, replace, and extend all works and property of the district.

SEC. 394. The district shall have the power to carry on technical and other necessary investigations, make measurements, collect data, make analyses, studies, and inspections pertaining to water supply, water rights, control of flood and storm waters, control of sewage and garbage, control of water quality, and use of water both within and without the district. The district may cooperate with any public entity, the state, or the United States in carrying out the powers granted by this section.

SEC. 395. The district shall have the power to construct its pipes, pipelines, flumes, and tunnels and other conduits, including, among others, facilities for sewage collection and transmission lines along, under or across any public road, street, alley, avenue, highway, or

sidewalk, or across any stream of water, watercourse, railway, canal, ditch, or flume which the route of such pipes, pipelines, canals, flumes, tunnels, or other conduits may intersect or cross, except that such works shall be constructed in compliance with any applicable laws and in such manner as to afford security for life and property and the district shall restore at its own expense any such crossings and intersections to their former state as nearly as may be or to an extent which does not unnecessarily impair their usefulness. Every company, municipality, or public entity whose right-of-way shall be intersected or crossed by such pipes, pipelines, canals, flumes, tunnels, or other conduits shall unite with the district in forming such intersections and crossings and grant the rights therefor.

SEC. 396. There is hereby granted to the district the right-of-way for the location, construction, and maintenance of works authorized under the provisions of this law in, over, and across public lands of the state not otherwise disposed of or in use, but not in any case exceeding an area which is necessary for the construction of such works and adjuncts or for the protection thereof. Whenever any selection of a right-of-way for such works or adjuncts thereto is made by the district, the board shall transmit to the State Lands Commission, the State Controller and the recorder of the county in which the selected lands are situated, a plat of the lands selected, giving the extent thereof and the uses for which the same is claimed or desired, verified by the board. If the State Lands Commission approves the selection so made it shall endorse its approval upon the plat and issue to the district a permit to use such right-of-way and lands.

SEC. 397. The district shall have the power of eminent domain to acquire within the district any property necessary for carrying out the powers and purposes of the district, except that the district shall not have the power to acquire by condemnation publicly owned property held or used for the development, storage, or distribution of water for public use. In lieu of compensation and damages for the taking or damaging of any public utility facility which must be replaced by the public utility to provide service to the public equivalent to that provided by the facility taken or damaged, the district shall pay to the public utility owning such facility its actual cost incurred to replace in kind the facility so taken or damaged, less proper deductions for depreciation, together with its actual cost incurred to rearrange or rehabilitate the facilities of such public utility not taken or damaged but required to be rearranged or rehabilitated by reason of such taking or damaging.

SEC. 398. The legal title to all property acquired under the provisions of this law shall be in the district and shall be held for the uses and purposes of this law. The board may hold, use, acquire, manage, occupy, and possess such property and, after declaring by resolution entered in the minutes that any real or personal property held by the district is no longer necessary, may sell or otherwise dispose of such property, or lease the same, in the manner provided

by law for the disposition and sale of property by counties.

CHAPTER 5. CONTRACTS AND COOPERATION

SEC. 401. The district shall have the power to cooperate with the United States under the Federal Reclamation Act of June 17, 1902, and all acts amendatory thereof and supplementary thereto or any other act of Congress heretofore or hereafter enacted permitting cooperation or contracts for the purposes of construction of works, whether for irrigation, drainage, flood control, or otherwise to provide a supply of water within or without the district for any purpose, for the collection, treatment, reclamation, or disposal of sewage, for the collection, storage, treatment, separation, transportation, conversion, transfer, reclamation, processing, or disposal of solid waste, or for the acquisition, purchase, extension, repair, replacement, operation, and maintenance of such works, or for the assumption as principal or guarantee of indebtedness to the United States or to the state, or for the carrying out of any of the purposes of the district. For such purposes the district shall have, in addition to the powers set forth in this law, all powers, rights and privileges possessed by county water districts as set out in Part 5 (commencing with Section 31000) of Division 12 of the Water Code not inconsistent with the provisions of this law.

SEC. 402. All money collected in pursuance of contract with the United States shall be paid into the district treasury to the credit of the district and shall be held in a fund to be known as the "United States Contract Fund" to be used for payments due to the United States under the contract.

SEC. 403 The district may cooperate and act in conjunction and contract with the United States, the state, any public entity, public or private corporation, or any person for any of the following purposes:

(1) The purchase and sale of water.

(2) The acquisition of water, water rights, or a water supply.

(3) The construction of any works for the control of flood or storm waters in the district or for the protection of property, watersheds, watercourses, highways, and life.

(4) The construction of any works for the purpose of conserving, collecting, reclaiming, transporting, and protecting from contamination of any waters for beneficial uses and purposes in the district, including recreational uses, the collection, treatment, reclamation, or disposal of sewage, the collection, storage, treatment, separation, transportation, conversion, transfer, reclamation, processing, or disposal of solid waste and for the use, operation and management, and ownership of such works.

SEC. 404. The agency may make and perform any agreement with the United States, the state, any public entity, public or private corporation, or any person for the joint acquisition, disposition, operation, or management of any property, works, water, or water

supply of a kind which might be acquired, disposed of, or operated by the district.

SEC. 405. Any irrigation district, California water district, public utility district, municipal utility district, county water district, water conservation district, municipality, flood control district, county service district, or any other district or political subdivision of the state empowered by law to appropriate, deliver, treat, store, control, reclaim, conserve, or distribute water, or any other public entity may:

(a) Cooperate, act in conjunction with and enter into contracts with the district for all the purposes for which the district is empowered to cooperate or act in conjunction and contract with such entities.

(b) Carry out the terms of such contracts.

CHAPTER 6. CONTROVERSIES

SEC. 411. The district may sue and be sued, except as otherwise provided in this law or by any other law, in all actions and proceedings in all courts, commissions, boards, and tribunals of competent jurisdiction.

SEC. 412. Any action to determine the validity of any contract, any bonds, notes, or other evidences of indebtedness, or the levy of a special assessment shall be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure.

SEC. 413. All claims for money or damages against the district are governed by Part 3 (commencing with Section 900) and Part 4 (commencing with Section 940) of Division 3.6 of Title 1 of the Government Code, except as provided therein. Claims not governed thereby or by other statutes or by ordinances or regulations authorized by law and expressly applicable to such claims shall be prepared and presented to the board, and all claims shall be audited and paid, in the same manner and with the same effect as are similar claims made against a county.

CHAPTER 7. ZONES

SEC. 431. Subject to the provisions of Article 2 (commencing with Section 471) of Chapter 8 of this part, the board, by resolutions thereof adopted from time to time, may establish improvement zones within the district without reference to the boundaries of other zones, setting forth in such resolutions descriptions thereof by metes and bounds and entitling each of such zones by a zone number, and institute zone projects for the specific benefit of such zones. The board may, by resolution, amend the boundaries by annexing property to or by withdrawing property from such zones or may divide existing zones into two or more zones or may superimpose a new or amended zone on zones already in existence, setting forth in

such resolutions descriptions of the amended, divided, or superimposed zones by metes and bounds and entitling each of such zones by a zone number. Any territory in the district may be included within one or more improvement zones.

After a project has been approved at an election held pursuant to Section 474 of this act, the boundaries of the zone or zones approving the project shall not be changed, except as otherwise provided in this law.

SEC. 432. Proceedings for the establishment of a zone shall be conducted concurrently with and as a part of proceedings for the instituting of projects relating to such zone, which proceedings shall be instituted in the manner prescribed in this law.

SEC. 433. The boundaries of any proposed zone which includes any territory within a city shall be submitted to the city council of such city for approval before the final adoption of the boundaries of such zone by the board. If the city council does not approve the boundaries of the zone lying within the city, or including the city as a whole, the city council may approve realigned boundaries for the portion of the zone within the city. The board may then form the zone with such boundaries as have been approved by the city council, or the board shall exclude all land within such city from the zone.

SEC. 434. The board of directors may advance general funds of the district to accomplish the purposes of a zone formed in accordance with Section 431 or 476 and, if the zone is formed under Section 476, may repay the district from the proceeds of the sale of bonds authorized for such purpose, or if the zone is formed under Section 431 may, in the formation of such zone, provide that the district shall be repaid with interest at not to exceed 8 percent from the special taxes levied exclusively upon the taxable property in the zone.

SEC. 435. The board may, in any one year, levy taxes or assessments in any zone to pay the cost of carrying out any of the objects or purposes of this law performed or to be performed on behalf of the zone, including the constructing, maintaining, operating, extending, repairing, or otherwise improving any or all works or improvements established, or to be established, within, or on behalf of, the zone, according to the benefits derived, or to be derived, by the zone by either of the following methods:

(a) By a levy or assessment upon all real property within a zone or participating zone, including both land and improvements thereon.

(b) By a levy or assessment within a zone or participating zone, upon the land only.

SEC. 436. The board shall have the power, in any year, to levy and collect a special tax or assessment upon the real property in any zone, including both land and improvements thereon within such zone or participating zones, for the purpose of raising funds to make payments pursuant to any contract entered into with another public

entity pursuant to this act when the contract requires the public entity to perform work in any such specified zone or participating zones for its or their particular benefit and also requires the district to pay such public entity a sum of money in consideration or subvention for the performance of such work. The tax or assessment levied pursuant to this section shall be in addition to any other tax or assessment herein otherwise provided. No tax shall be levied or collected pursuant to this section unless the levy of such tax is approved by the voters of the district, by a majority vote of those voting on the proposition, at an election held within the district for such purpose.

SEC. 437. Each year at the time the board fixes and levies taxes or assessments for district purposes, it shall also fix the rates of zone taxes or assessments and shall levy the taxes or assessments upon the zone pursuant to Sections 702, 703, and 704. The zone rate shall be such as will produce, after allowance of not to exceed 15 percent for delinquencies, the amount required to meet the expenditures incident to the project or works of improvement for which the zone is established and the cost of the maintenance thereof, or both, during the current year. The tax or assessment in any one fiscal year shall not exceed an aggregate of twenty cents ($0.20) on each one hundred dollars ($100) of assessed valuation of the taxable property in the zone for any and all zone projects or works of improvement unless the excess is authorized at an election as provided in this section.

The taxes or assessments levied pursuant to this section shall be in addition to any other taxes or assessments provided by this law and shall be levied and collected at the same time and in the same manner as other district taxes and assessments. All funds collected by reason of the tax or assessment shall be expended only on behalf of the zone and only for the purpose for which the zone was formed as set forth in the notice of hearing on the proposal to establish the zone.

Whenever the board determines it is in the best interest of a zone to undertake a project or work which will require a rate of zone tax or assessment in excess of twenty cents ($0.20) on each one hundred dollars ($100) of assessed valuation of the taxable property in the zone, it may submit the proposition to the electors within the zone. The board shall, by resolution, call an election for the purpose of proposing the question to the voters of the zone as to whether or not the taxes or assessments in excess of twenty cents ($0.20) for each one hundred dollars ($100) of assessed valuation of the taxable real property in the zone shall be proposed within the zone, prescribing the notice, time, place, and manner of conducting the election in conformity, as nearly as practicable, with the provisions of the Elections Code governing general elections. An election is invalid unless held within the zone, and notice of the time, place, and purpose of the election has been given by publication in the agency pursuant to Section 6066 of the Government Code, and posted in not

less than three public places in the zone. If a majority of the votes cast favor such tax or assessment rate, the board may thereafter tax or assess not to exceed such new rate.

The taxes or assessments shall be levied and collected together with, and not separately from, taxes or assessments for district purposes, and the revenues derived from such taxes or assessments shall be paid into the district treasury to the credit of the district, or the respective zones thereof, and the board shall have the power to control and order the expenditure thereof for such purposes; provided, however, that no revenues, or portions thereof, which are derived in any of the several zones from the taxes or assessments levied under the provisions of this section shall be expended for constructing, maintaining, operating, extending, repairing, or otherwise improving any works or improvements located in any other zone, except in the case of joint projects or for projects authorized or established outside such zone, or zones, for the benefit thereof. In cases of projects which affect two or more zones, such zones shall become, and shall be referred to as, participating zones.

CHAPTER 8. PROJECTS AND WORKS

Article 1. Initiation and Hearings

SEC. 451. The board may employ competent registered civil engineers, under the supervision of the chief engineer, to investigate and carefully devise a plan or plans for the accomplishment of any of the purposes of this law, and to obtain such other information in regard thereto as may be deemed necessary or useful for carrying out the purposes of this law. The board may direct such engineer or engineers to make and file reports from time to time with the board.

The reports shall contain, among other things, the following:

(a) A general description of the work proposed to be done, together with general plans, profiles, cross sections, and general specifications relating thereto, on each project or work.

(b) A general description of the lands, rights-of-way, easements, and property proposed to be taken, acquired, or injured in carrying out such project or work.

(c) A map or maps which shall show the location and zones, as may be required, of each project or work, which shall show the lands, rights-of-way, easements, and property to be taken, acquired, or injured in carrying out such project or work, and which shall show any other information in regard to the project or work that may be deemed necessary or useful.

(d) An estimate of the cost of each project or work, including the cost of lands, rights-of-way, easements, and property proposed to be taken, acquired, or injured in carrying out such project or work, and all incidental expenses incurred or likely to be incurred in connection therewith, including legal, clerical, engineering, superintendence, inspection, printing, and advertising expenses.

The estimate shall also state the total amount of bonds, if any, necessary to be issued to pay for the project or work.

Such engineer or engineers shall, from time to time and as directed by the board, file with the board supplementary, amendatory, and additional reports and recommendations as necessity and convenience may require.

SEC. 452. The board shall determine which projects or works shall be carried out and shall determine as to each project or work that it is one of the following:

(a) For the common benefit of the district as a whole.

(b) For the benefit of participating zones.

(c) For the benefit of a single zone.

SEC. 453. The board may institute works or projects for single zones, and joint works or projects for participating zones, for the financing, construction, maintaining, operating, extending, repairing, or otherwise improving any work or improvement of common benefit to such zone or participating zones. For the purpose of acquiring authority to proceed with any such work or project, the board shall adopt a resolution specifying its intention to undertake such work or project, incorporating the engineering report or reports containing the estimates of cost of the work or project to be borne by the zone or participating zones. Such resolution shall also set forth whether bonds, taxes, or assessments are to be used to finance the work or project, and the amounts to be raised for the project. If taxes or assessments are to be used to finance the project, the resolution shall specify the procedure to be followed, provided in Section 435, in order to levy such taxes or assessments. Such resolution shall fix a time and place for public hearing on such resolution and shall refer to a map or maps showing the general location and general construction of such work or project Notice of the hearing shall be given by publication pursuant to Section 6066 of the Government Code in a newspaper of general circulation published or circulated in the zone or participating zones.

SEC. 454. At the time and place fixed for the hearing, or at any time to which such hearing may be continued, the board shall consider all written and oral objections to the proposed work or project, to the proposed methods and amounts of financing the work or project, and to the inclusion or exclusion of property within the proposed zone or participating zones.

If, in the judgment of the board, evidence given at the public hearing indicates that changes in the proposed work or project or the methods and amounts of financing the work or project are necessary or desirable, the board may, at the conclusion of the hearing, adopt a resolution making changes in the proposed work or project and the methods and amounts of financing the work or project.

At the conclusion of the hearing, unless the board abandons the proposed work or project, it shall exclude from the zone or participating zones all property which, in the judgment of the board, will not be benefited by the proposed work or project.

SEC. 455. If, prior to the conclusion of the hearing, a written protest against the proposed work or project which is signed by a majority in number of the holders of title to real property, or assessable rights therein, or evidence of title thereto, representing one-half or more of the assessed valuation of the real property within such zone or within any of the participating zones for which such work or project was initiated, be filed with the board, the proceedings relating to such work or project must be terminated and a new hearing shall be conducted before the board may proceed with the work or project. Such new hearing may not be held until at least six months following such termination.

SEC. 456. In all matters referred to in this chapter, the last equalized assessment roll of the County of Monterey next preceding the filing of the protest shall be prima facie evidence as to the ownership of real property, the names and number of the persons who are the holders of title or evidence of title, or assessable rights therein, and as to the assessed valuation of real property within the zone or within any of the participating zones for which the project was initiated.

SEC. 457. Executors, administrators, special administrators, and guardians may sign the protest provided for in this act on behalf of the estate represented by them. If the property is assessed in the name of such representatives, that fact shall establish the right of such representatives to sign the protest; if assessed in the name of the decedent, minor, or incompetent person, certified copies of the letters, or such other evidence as may be satisfactory to the board, must be produced.

Where real property appears to be owned in common or jointly or by a partnership, or where letters of representatives of decedents, minors, or incompetents are joint, only one of the owners or representatives or partners may sign the protest for all joint owners or representatives or partners; provided, the party claiming the right to protest for all produces the written consent of his co-owners or representatives or partners so to do, duly acknowledged by the consenting co-owners or representatives or partners in the manner that deeds of real property are required to be acknowledged to entitle such deeds to be recorded in the recorder's office of the county.

Where real property is assessed in the name of a trustee or trustees, such trustee or trustees shall be deemed to be the person entitled to sign the protest, and if assessed in the name of more than one trustee the right to sign the protest shall be determined in like manner as above provided with respect to co-owners.

The protest of any public or quasi-public corporation, private corporation, or unincorporated association may be signed by any person authorized by the board of directors or trustees or other managing body thereof, which authorization shall be in writing. A proxy executed by an officer or officers thereof, attested by its seal and duly acknowledged, shall constitute sufficient evidence of such

authority, and shall be filed with the board.

The owner of any real property or interest therein, appearing upon the assessment roll, which has been assessed in the wrong name or to unknown owners, or which has passed from the owner appearing as such on the last equalized assessment roll since the same was made, shall be entitled to sign the protest represented thereby, either by the production of a proxy from such former owner, or by furnishing evidence of his ownership by a conveyance duly acknowledged showing the title to be vested in the person claiming the right to sign the protest, accompanied by a certificate of a competent searcher of titles which certifies that a search of the official records of the county since the date of the conveyance discloses no conveyance or transfer out from the grantee or transferee named in the conveyance.

Where the real property has been contracted to be sold, the vendee shall be entitled to sign the protest unless such real property is assessed in the name of the vendor, in which event the vendor shall be entitled to so do.

The board shall be entitled to inquire and take evidence for the purpose of identifying any person claiming the right to sign the protest as being the person shown on the assessment roll or otherwise as entitled thereto. And, unless satisfactory evidence is furnished, the right to sign such protest may be denied.

Article 2. Work or Project Elections

SEC. 471. If the board determines to proceed with a work or project in a zone or participating zones after the conclusion of the public hearing, it shall call an election to be held in the zone or participating zones on the question of proceeding with the work or project. Such election shall be called by the adoption of a notice of election, which shall state the date of the election, the proposition to be voted upon, the hours the polls will be open, and shall designate the election precincts, the polling place within each precinct and the names of the election officers consisting of one inspector, one judge, and one clerk for each precinct. Only registered voters within the zone or participating zones shall be entitled to vote at such election.

SEC. 472. The notice of election shall be published or posted pursuant to the same procedure and time limits prescribed for giving notice of the public hearing pursuant to Section 453. No other notice of such election need be given nor need sample ballots or polling place cards be issued.

SEC. 473. The ballot for the election shall contain the following ballot measure:

Shall the proposed work or project for Zones No. __ in the Monterey Peninsula Water Management District be approved?	Yes ☐ No ☐

SEC. 474. The election shall be conducted as one election comprising all of the zones affected, rather than separately in each zone, and precincts established may comprise territory in more than one zone. If a majority of the voters voting upon the proposition are in favor of the work or project, the board may proceed with the project. Except when a majority of the voters voting are for the work or project, the board shall not proceed with the work or project unless it is later approved by the voters at a subsequent election called and conducted pursuant to this chapter. Such subsequent elections may be called by the board without conducting additional public hearings if the subsequent election is conducted not to exceed one year after the initial election at which the project was not approved by the majority of the voters.

SEC. 475. The election may be consolidated with any district, city, or county election or statewide primary or general election under the provisions of the Elections Code relating to the consolidation of elections and, in case of consolidation, the notice shall be as provided in the Elections Code.

SEC. 476. If the board determines that bonded indebtedness should be incurred to pay for any portion of the cost of a proposed work or project, the election required under this chapter shall be fully consolidated with the bond election without complying with the procedures for consolidation of elections set forth in the Elections Code, the procedures for calling and conducting the bond election shall be applicable to both elections, and both propositions shall be included on the ballot for such election. In the case of such a consolidated election, the ordinance required under Article 1 (commencing with Section 601) of Chapter 3 of Part 5 shall constitute the notice of election required under this chapter and shall contain the information required under this chapter. If a majority of the voters voting in all of the zones participating in the election, considering such zones as a single unit rather than separately, vote in favor of approving the project, but the bond election fails, the board may proceed to pay the costs of the project out of the taxes or assessments levied under this act or from other sources excluding bonds.

Article 3. Performance of Works

SEC. 491. Any improvement or unit of work, when the cost thereof according to the estimate of the engineer will exceed five thousand dollars ($5,000), shall be done by contract and shall be let

to the lowest responsible bidder or bidders in the manner hereinafter provided. The board shall first determine whether such contract shall be let as a single unit for the whole of the work, or shall be divided into severable convenient parts, or both, according to the best interests of the district. The board shall call for bids and advertise such call by publication pursuant to Section 6061.3 of the Government Code in a newspaper of general circulation published or circulated in the district inviting sealed proposals for the construction or performance of the improvement or work before any contract is made therefor. Such call for bids shall state whether such work is to be performed as a unit for the whole thereof or shall be divided into severable convenient specific parts, or both, as stated in the call. The board may let such work by single contract for the whole thereof as a unit or it may divide such work into severable convenient parts by separate contracts, as stated in such call, according to the best interests of the district.

SEC. 492. The board shall require the successful bidder or bidders to file with the board good and sufficient bonds to be approved by the board conditioned upon the faithful performance of the contract and upon the payment of their claims for labor and material in connection therewith. Such contracts shall be subject to the provisions of Title 15 (commencing with Section 3200) of Part 4 of Division 3 of the Civil Code.

SEC. 493. The board shall also have the right to reject any and all bids and readvertise for new bids, or by a two-thirds vote may elect to undertake such work by force account. When no proposals are received pursuant to advertisement therefor, or when the estimated cost of such work does not exceed the sum of five thousand dollars ($5,000), or when the work consists of channel protection, maintenance work, or emergency work necessary in order to protect life and property from impending damage, the board may, without advertising for bids therefor, have such work done by employees of the district by day labor under the direction of the board, by contract, or by a combination thereof. The district shall have the power to acquire in the open market without advertising for bids therefor, materials, equipment, and supplies for use in any work or for any other purpose; provided, however, that materials and supplies for use in any new construction work or improvement, except work referred to in the preceding sentence, may not be purchased if the cost thereof exceeds five thousand dollars ($5,000) without advertising for bids and awarding the contract therefor to the lowest responsible bidder.

SEC. 494. Any improvement for which bonds are approved in an election under the provisions of this law, shall be made in conformity with the report, plans, specifications, and map theretofore adopted, as provided in Article 1 (commencing with Section 451), except when the doing of any of such work described in such report is prohibited by law or is rendered contrary to the best interests of the district by some change of conditions in relation thereto subsequent

to the date of filing the report, plans, specifications, and map theretofore adopted, in which event the board may order necessary changes made in such proposed work or improvements and may cause any plans and specifications to be made and adopted therefor.

PART 5. FINANCES

CHAPTER 1. GENERAL

SEC. 501. The district may cause taxes to be levied and collected, in the manner hereinafter provided, for the purpose of paying any obligation of the district including its formation expenses and any warrants issued therefor and to accomplish the purposes of this act.

SEC. 502. The district shall have the power as provided in this law to borrow money, to incur indebtedness, to issue bonds or other evidence of such indebtedness, and to refund or retire any indebtedness or lien that may exist against the district or property thereof.

SEC. 503. All bonds, notes, or other evidence of indebtedness issued by the district shall be legal investments for all trust funds, and for the funds of all insurance companies, banks, both commercial and savings, and trust companies, and for the state school funds, and for all sinking funds under the control of the State Treasurer; and, whenever any moneys or funds by law now or hereafter enacted may be invested in, or loaned upon the security of, bonds of cities, cities and counties, counties, school districts, or municipalities in the State of California, such moneys or funds may be invested in, or loaned upon the security of, the bonds, notes of other evidence of indebtedness of the district; and, whenever bonds of cities, cites and counties, counties, or school districts, by any law now or hereafter enacted, may be used as security for the faithful performance or execution of any court or private trust or of any other act, bonds, notes, or other evidence of indebtedness of the district may be so used.

SEC. 504. All funds of the district shall be deposited in the district treasury, subject to disbursement as provided pursuant to the provisions of this law under the direction of the district auditor or such other fiscal officer as is appointed by the board of directors.

SEC. 505. The district may establish and maintain such separate funds and accounts as it deems necessary to carry out the separate purposes of this law, and the district may establish such additional separate funds as it shall from time to time determine.

The district may create and administer revolving funds to facilitate and assist in the carrying on and completing of any acquisition, work, or improvements provided for herein, and the district may abolish such funds.

SEC. 506. The district may make such transfers, for the purposes of a loan or permanently, from one fund to another fund of the district, as to its funds, or from one fund to another fund of a zone,

as to such zone, as the district shall determine.

SEC. 507. The district treasurer, or other fiscal officer, may invest any funds of the district in any security, debenture, bond, or deposit permitted and allowed for the investment of funds by the County of Monterey.

SEC. 508. The board may advance general funds of the district to accomplish the purposes of a zone or participating zones formed pursuant to this act.

SEC. 509. The board may repay the district for any advance of funds from the proceeds of the sale of bonds authorized for the purposes of the zone or participating zones.

CHAPTER 2. PROMISSORY NOTES

SEC. 531. The district may, by resolution adopted by the board, issue negotiable promissory notes pursuant to this section to acquire funds for any district purpose or purposes. Any issue of such promissory notes shall bear interest at a rate not exceeding 8 percent per year and shall mature over a period not exceeding five years from the date thereof. The aggregate principal amount of such notes outstanding at any one time shall not exceed the lesser of either five hundred thousand dollars ($500,000) or 1 percent of the assessed valuation of the taxable property in the district or, if the assessed valuation is not obtainable, 1 percent of the estimated assessed valuation of the taxable property in the district.

SEC. 532. The district may, by resolution adopted by the board, issue negotiable promissory notes pursuant to this section (in addition to promissory notes issued pursuant to Section 531) to bear interest at a rate not exceeding 8 percent per year and to mature over a period not exceeding five years from the date thereof. Such notes may be issued only if all of the following conditions precedent are met:

(a) Prior to the date of issuance of such notes, the district shall have entered into a contract or contracts with the United States or the state, or both, pursuant to which the United States or the state, or both, agree to grant or loan to the district moneys to pay all or part of the costs of the project or work for payment of the cost of construction of which such notes are issued.

(b) The district shall have authorized bonds pursuant to Section 476 or 606 in an aggregate principal amount which, when added to such grants or loans, has been calculated to be sufficient to complete such project or work and such bonds shall have been authorized for the purpose of payment of the cost of construction of such project or work.

Such notes may be issued only for the payment of a portion of the costs of a project or work specified in subdivision (a). The aggregate principal amount of such notes issued by the district at any time shall not exceed 40 percent of the aggregate sums which the United States and the state, or both, have agreed to pay to the district pursuant to

the contracts upon which the district relies for the issuance of such notes. Such notes shall be payable solely from sums paid to the district by the United States or the state, or both, pursuant to such contracts, or in the absence of such sums, from the proceeds of the sale of refunding notes issued pursuant to Section 533.

SEC. 533. In the event that sums agreed to be paid by the United States or the state, or both, are not paid to the district and received by it on or prior to a specified anniversary of the date of any notes issued pursuant to Section 532, which anniversary shall be specified in any notes issued pursuant to Section 532, and which anniversary shall be no less than six months prior to the date of maturity of such notes, the district shall issue negotiable promissory notes pursuant to this section to refund such notes issued pursuant to Section 532. Any issue of such refunding promissory notes shall bear interest at a rate not exceeding 8 percent per year and shall mature in annual installments of principal calculated to result in approximately equal annual payments of principal and interest over a period not exceeding 10 years from the date thereof. The aggregate principal amount of such notes at any time issued by the district shall not exceed (a) the aggregate principal amount of notes issued pursuant to Section 532 for the payment of which no funds have been received from the United States or the state, or both, by such specified anniversary date, plus (b) the interest thereon from the date thereof to the date of payment thereof. If notes issued pursuant to this section cannot be sold at public or private sale, such notes shall be delivered to the holder or holders of the notes issued pursuant to Section 532 as payment in full thereof and shall bear interest at 8 percent per year.

SEC. 534. All notes issued pursuant to Sections 531 and 533 shall be general obligations of the district and the principal thereof and interest thereon shall be payable from taxes or assessments levied and collected as provided in Chapter 4 (commencing with Section 701) of this part.

SEC. 535. The board shall, by resolution, provide for the form, terms, and execution of the notes, and shall provide for the sale of the notes for not less than their par value and accrued interest thereon upon such notice inviting sealed bids in such manner as the board may prescribe, which shall be after at least one publication of notice of such sale at least five days before such sale in a newspaper of general circulation published or circulated in the district in accordance with Section 6061 of the Government Code.

CHAPTER 3. BONDS

Article 1. Initiation of Proceedings and Election for Bonds

SEC. 601. Whenever the board determines that a bonded indebtedness should be incurred to pay the cost of any work or project in any zone or participating zones, the board may, by

resolution, determine and declare the respective amounts of bonds necessary to be issued in each zone in order to raise the amount of money necessary for each work or project and the denomination and the maximum rate of interest of such bonds. The board shall cause a copy of the resolution, duly certified by the clerk, to be filed for record in the Office of the Recorder of Monterey County within five days after its issuance. From and after the filing of the copy of such resolution the board shall be deemed vested with the authority to proceed with the bond election.

SEC. 602. After the filing for record of the resolution specified in Section 601, the board may call a special bond election in such zone or participating zones at which shall be submitted to the qualified electors of such zone or participating zones the question whether or not bonds shall be issued in the amount or amounts determined in such resolution and for the purpose or purposes therein stated. Such bonds and the interest thereon shall be paid from revenue derived from service, standby, and other charges in the affected zone and from annual taxes or assessments levied as provided in this act.

SEC. 603. The board shall call such special bond election by ordinance and submit to the qualified electors of such zone or participating zones the proposition of incurring a bonded debt in such zone or participating zones in the amount and for the purposes stated in such resolution and shall recite therein the objects and purposes for which the indebtedness is proposed to be incurred; provided, that it shall be sufficient to give a brief, general description of such objects and purposes, and refer to the recorded copy of such resolution, adopted by the board and on file, for particulars. The ordinance shall also state the estimated cost of the proposed work and improvements, the amount of the principal of the indebtedness to be incurred therefor, and the maximum rate of interest to be paid on such indebtedness, and shall fix the date on which such special election shall be held, and the form and contents of the ballot to be used. For the purposes of such election, the board shall in such ordinance establish special bond election precincts within the boundaries of each zone or participating zones and may form election precincts by consolidating the precincts established for general elections in the district to a number not exceeding six general precincts for each such special bond election precinct, and shall designate a polling place and appoint one inspector, one judge and one clerk for each of such special bond election precincts.

In all particulars not recited in such ordinance, such special bond election shall be held as nearly as practicable in conformity with the general election laws of the state.

SEC. 604. The board shall cause a map or maps to be prepared covering a general description of the work to be done, which map shall show the location of the proposed work or project, and shall cause such map to be posted in a prominent place in the offices of the agency for public inspection for at least 30 days before the date fixed for such election.

SEC. 605. The ordinance calling for a special bond election shall, prior to the date set for such election, be published in a newspaper of general circulation circulated in each zone or participating zones affected in accordance with Section 6064 of the Government Code. No other notice of such election need be given nor need sample ballots or polling place cards be issued.

SEC. 606. Any defect or irregularity in the proceedings prior to the calling of such special bond election shall not affect the validity of the bonds authorized by such election. Where a project affects a single zone only, no bonds shall be issued or sold unless a majority of the votes cast in such zone on the proposition of incurring a bonded indebtedness are in favor of incurring the bonded indebtedness to be undertaken by such zone. In such event, bonds for such zone for the amount stated in such proceedings shall be issued and sold as provided in this act. Where the incurring of bonded indebtedness by participating zones is to be determined at such election, no bonds for any of such participating zones shall be issued or sold unless a majority of the votes cast on the proposition in each such participating zone are in favor of incurring the bonded indebtedness to be undertaken by such participating zones. In such event, bonds for such participating zones for the amount stated in such proceedings shall be issued and sold as provided in this act.

SEC. 607. (a) Should a proposition for issuing bonds for any zone or participating zones submitted at any election under this law fail to receive the requisite number of votes of qualified electors voting at such election to incur the indebtedness, the board shall not for six months after such election call or order another election in such zone or participating zones for incurring indebtedness and issuing bonds under the terms of this act for the same objects and purposes.

(b) Should a proposition for issuing bonds for any zone or participating zones submitted at any election under this law fail to receive the requisite number of votes of qualified electors voting at the subsequent election conducted on or after six months after an initial election, the board shall not call or order another election in such zone or participating zones for incurring indebtedness and issuing bonds under the terms of this law for the same objects and purposes unless and until the board adopts a new resolution pursuant to Section 601.

Article 2. Issuance of Bonds

SEC. 611. If from the bond election returns it appears that at least a majority of the votes cast in the district in such election were in favor of and assented to the incurring of the bonded debt, the board may, by resolution, at such time or times as it deems proper, provide for the issuance of all or any part of the bonds of the district so authorized until the full amount of the authorized bonded debt has been issued.

SEC. 612. The board shall, subject to the provisions of this law, prescribe by such resolution the form of such bonds, which must include a designation of the zone or participating zones affected, and of the interest coupons attached thereto. Such bonds shall be payable annually or semiannually at the discretion of the board each and every year on a day and date, and at a place to be fixed by the board, and designated in such bonds, together with the interest on all sums unpaid on such date until the whole of such indebtedness shall have been paid.

SEC. 613. The full amount of the authorized bonds may be divided into two or more series and different dates fixed for the bonds of each series.

SEC. 614. The maximum term which the bonds or any series thereof shall run before maturity shall not exceed 40 years from the date of the bonds or of such series thereof.

SEC. 615. The bonds shall be issued in such denomination as the board may determine, and shall be made payable annually or semiannually, and such bonds shall be numbered consecutively and shall be signed by the chairman of the board, and countersigned by the treasurer of the district, and the seal of the district shall be affixed thereto by the secretary of the district. Either or both such signatures may be printed, engraved, or lithographed. The interest coupons of the bonds shall be numbered consecutively and signed by the treasurer by his printed, engraved, or lithographed signature. In case any such officers whose signatures or countersignatures appear on the bonds or coupons shall cease to be such officer before the delivery of such bonds to the purchaser, such bonds and coupons, and signatures or countersignatures shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until the delivery of the bonds.

SEC. 616. The bonds shall bear interest at a rate or rates not to exceed 8 percent per year, payable semiannually, except that interest for the first year may be payable at or before the end of that year.

SEC. 617. The board may provide for the call and redemption of bonds prior to maturity at such times and prices and upon such other terms as it may specify. A bond shall not be subject to call or redemption prior to maturity unless it contains a recital to that effect or unless a statement to that effect is printed thereon.

SEC. 618. The principal and interest on the bonds shall be payable in lawful money of the United States at the office of the treasurer of the district or such other place or places as may be designated therein, or at any such place or places at the option of the holder of the bond.

SEC. 619. If the bond election proceedings have been limited to and have applied only to a zone or participating zones, the bonds are bonds of the district, shall be issued in the name of the district, shall be designated "Bonds of the Monterey Peninsula Water Management District for (Participating) Zone No. _____," and

shall state that taxes for the payment of the principal thereof and interest thereon will be levied exclusively upon the real property in the zone or participating zones subject to taxation for district purposes to the extent and in the manner provided in the proceedings for the formation of the zone or participating zones.

SEC. 620. Any bonds issued by the district are hereby given the same force, value, and use as bonds issued by any municipality and shall be exempt from all taxation within the state.

Article 3. Sale of Bonds

SEC. 631. The board may sell bonds of any authorized issue, or any part thereof, at not less than 100 percent of the par value thereof and interest thereon accrued from the date of such bonds to the date of delivery to the purchaser thereof. Before selling any bonds, the board shall give notice inviting sealed bids in such manner as it may prescribe. If satisfactory bids are received, the bonds offered for sale shall be awarded to the highest responsible bidder. If no bids are received, or if the board determines that the bids received are not satisfactory as to price or responsibility of the bidders, it may reject all bids received, if any, and either advertise or sell the bonds at private sale.

SEC. 632. The proceeds from the sale of bonds shall be paid into the treasury of the district, placed to the credit of a special improvement fund, and expended only for the purpose for which the indebtedness was created. When such purpose has been accomplished, any moneys remaining in the special improvement fund may be transferred to the fund to be used for the payment of principal of and interest on the bonds.

SEC. 633. All costs and expenses incident to the issuance and sale of bonds may be paid out of the proceeds of the sale of the bonds. Interest on bonds may be paid out of the proceeds of the sale of the bonds during the actual construction of any works for the acquisition, construction, or completion of which the bonds have been issued, and for a period of not to exceed two years thereafter.

SEC. 634. The proceeds from the sale of bonds of the district for a zone or zones thereof may be expended for the purpose for which the indebtedness was created in any territory annexed to the zone or participating zones after the authorization of the bonds.

SEC. 635. The district may provide that the bonds and the interest thereon shall be secured by all or by part of revenues of a project or works upon the basis of which revenue bonds are issued or authorized to be issued, and shall constitute such lien upon the revenues of such project or works as may be provided for in the proposition authorizing the bonds.

SEC. 636. Pending the actual issuance or delivery of bonds, the district may issue temporary or interim bonds, certificates or receipts of any denominations whatsoever, and with or without coupons, to be exchanged for definitive bonds when ready for delivery.

SEC. 637. The district may provide for the replacement of lost, destroyed, or mutilated bonds or coupons.

Article 4. Payment of Bonds

SEC. 651. Any bonds issued under the provisions of this law, and the interest thereon, shall be paid by revenue derived from service charges, standby charges, user charges, and other charges in the issuing zone or participating zones and from an annual tax or assessment levied as provided in this law. No zone nor the property therein shall be liable for the bonded indebtedness of any other zone, nor shall any moneys derived from taxation or assessments in any of the several zones be used in payment of principal or interest or otherwise of the bonded indebtedness chargeable to any other zone.

SEC. 652. In the event that service, standby, and other charges are insufficient to pay the interest and portion of the principal due, the board shall levy a tax or assessment each year sufficient to pay the unpaid interest and such portion of the principal of such bonds as is due or to become due before the time for making the next general tax levy. Such taxes or assessments shall be levied and collected in the respective zones of issuance together with and not separately from taxes for district purposes, and when collected shall be paid into the district treasury to the credit of the zone of issuance, and shall be used for the payment of the principal and interest on such bonds, and for no other purpose. The principal and interest on such bonds shall be paid by the district treasurer in the manner provided by law for the payment of principal and interest on bonds of the county.

SEC. 653. The provisions of law of this state, prescribing the time and manner of levying, assessing, equalizing, and collecting county property taxes, including the sale of property for delinquency, and the redemption from such sale, and the duties of the several county officers with respect thereto, are, so far as they are applicable and not in conflict with the specific provisions of this act, hereby adopted and made a part hereof.

SEC. 654. Whenever bonds have been authorized by any zone or participating zones of the district and such bonds have been issued as authorized in this law, and if the board shall by resolution determine that additional bonds should be issued for carrying out the work or project, or for any of the purposes of this law, the board may again proceed as provided in this law, and submit to the qualified voters of such zone or participating zones, the question of issuing additional bonds in the same manner and with like procedure as provided in this law, and all the provisions of this law for the issuing and sale of bonds, and for the expenditure of the proceeds thereof, shall be deemed to apply to such issue of additional bonds.

Article 5. Refunding Bonds

SEC. 661. The board may, with the consent of any holder or holders of outstanding bonds of the district, exchange refunding bonds bearing a lower rate of interest for such outstanding bonds.

Whenever any holder of outstanding bond or bonds shall have consented to such exchange, the board may, by resolution entered in its minutes, order the refunding of such bonds. The resolution shall designate the numbers, denominations, dates of maturity, and aggregate principal amounts of the bonds so to be refunded and shall provide for the issuance of refunding bonds in exchange therefor, the form, numbers, denominations, dates of maturity, and aggregate principal amounts of which shall be the same as the bonds so to be refunded. The resolution shall also fix the rate of interest such refunding bonds shall bear, which rate shall be less than the rate provided in the bonds to be refunded. The resolution shall also fix the form of the interest coupons attached to such refunding bonds, which shall be the same as the bonds so to be refunded, excepting that the rate of interest shall be less as hereinabove provided.

SEC. 662. The refunding bonds shall be signed by the chairman of the board, or such other member of the board as the board may by resolution designate, and shall be countersigned by the treasurer of the district, and the seal of the district shall be affixed thereto. The interest coupons shall be numbered consecutively and signed by the treasurer of the district by his engraved or lithographed signature. In case an officer whose signature or countersignature appears on such bonds or coupons shall cease to be such officer before the delivery of such bonds to the purchaser, such signature or countersignature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until the delivery of the bonds.

SEC. 663. Each refunding bond may be exchanged for its corresponding outstanding bond as the board by agreement with the holder of such outstanding bond may determine, except that in effecting such exchange, any and all matured coupons on such refunding bonds shall be detached and canceled and the principal and accrued interest of both issues shall be accepted at par value and the district shall pay such holder in cash out of moneys in the bond interest fund of the district an amount equal to the difference between the interest on the outstanding bond and on the refunding bond accrued to the date of such exchange.

SEC. 664. When any refunding bonds shall have been exchanged, taxes shall be levied and collected to pay the principal and interest thereof as provided in this part, all the provisions of which shall apply to such refunding bonds to the same extent as to original issues.

Article 6. Revenue Bonds

SEC. 671. If the board by resolution determines that a bonded indebtedness to pay for the acquisition or construction of any works for any purposes of the district, or zone or participating zones thereof, or for refunding any outstanding bonds should be incurred, and can be repaid and liquidated as to both principal and interest from revenues designated by the board, the district is authorized and shall have the power to define such works as an "enterprise" and to issue revenue bonds all in the manner and as provided in the Revenue Bond Law of 1941, Chapter 6 (commencing with Section 54300) of Part 1 of Division 2 of Title 5 of the Government Code, and for such purpose the district shall be considered a "local agency" as defined by Section 54307 of such code. Any election for the issuance of revenue bonds for a zone or participating zones of the district shall be limited to the area of such zone or participating zones, and the proceeds from the sale of any such revenue bonds shall be expended only for the benefit of such zone or participating zones.

SEC. 672. Whenever in the opinion of the board the public interest or convenience may require, it may order any work or improvement which it is authorized to undertake to be done in accordance with the procedure and pursuant to the provisions of either the Improvement Act of 1911, Division 7 (commencing with Section 5000) of the Streets and Highways Code, the Improvement Bond Act of 1915, Division 10 (commencing with Section 8500) of the Streets and Highways Code, or the Municipal Improvement Act of 1913, Division 12 (commencing with Section 10000) of the Streets and Highways Code.

The following terms, as used in the aforesaid improvement acts, shall refer to that which is set out herein for the purposes of this act:

(a) "Municipality" or "city" refers to the district.

(b) "City council" or "legislative body" refers to the board.

(c) "City treasurer" or "treasurer" refers to the officer of the district who has charge of and makes payments of the district funds.

(d) "Mayor" refers to the chairman of the board.

(e) "Clerk" refers to the secretary of the district.

(f) "Council chambers" refers to the place where the regular meetings of the board of directors are held.

(g) "Superintendent of streets," or "street superintendent" and "city engineer" refer to the chief engineer of the district.

(h) "Right-of-way" refers to any parcel of land through which a right-of-way has been granted to the district for any purpose.

(i) All other words and terms relating to municipal officers and matters refers to the corresponding officers of the district and matters under this act.

SEC. 673. All revenue bonds issued by the district may be certified as legal investments pursuant to the Districts Securities Law (Chapter 1 (commencing with Section 20000) of Division 10 of the Water Code)

Article 7. Bond Anticipation Notes

SEC. 681. The district may borrow money in anticipation of the sale of, but not in excess of the principal amount of, bonds of a zone or participating zones authorized pursuant to this chapter which have not yet been sold and delivered, and for that purpose may issue and sell negotiable bond anticipation notes, and may refund such notes as provided in this article. Such notes may be issued in anticipation of the sale of all or any portion of the bonds which are duly authorized at the time the notes are issued. Such notes shall mature within a period not to exceed five years from the date of issuance. In the event that the sale of bonds shall not have occurred prior to the maturity of such notes, the district may issue renewal notes to meet the notes then maturing. There shall be only one renewal of any note issued pursuant to this section and such renewal note shall mature within a period not to exceed three years from the date of issuance.

SEC. 682. The notes shall be sold in such manner as the board may determine, and such notes and the resolution providing for the issuance of such notes may contain any provision, condition, or limitation which a bond, or any resolution or ordinance providing for the issuance of bonds, may contain. The interest on bond anticipation notes shall be payable at the time or times provided in such notes and may be represented by interest coupons attached to the notes and shall be payable from the same funds from which the interest on bonds of the zone or participating zones are payable. The principal of such notes may be paid from any moneys of the zone or participating zones available for such purpose. If such notes, or any portion thereof, have not been previously paid, they shall be paid from the proceeds of the next sale of bonds in anticipation of which the notes were issued.

SEC. 683. The resolution providing for the issuance of bond anticipation notes may contain a provision that, if for any reason bonds of the zone or participating zones are not sold in time to provide funds to pay any unpaid note, and, if other funds of the zone or participating zones are not available for such payment, taxes or assessments shall be levied upon the taxable real property in the zone or participating zones for such payment in the same manner provided for the payment of bonds in such amount each year for such period of years as may be set forth in such resolution.

SEC. 684. To the extent bond anticipation notes are paid from a tax or assessment levy, authorized bonds in a corresponding amount shall be canceled and not issued thereafter. When bonds of the zone or participating zones are issued and any portion of the proceeds of the sale are to be used to pay bond anticipation notes, such bonds shall mature not later than the maximum permissible years for such bonds under Section 614 from the date of such notes as originally issued.

CHAPTER 4. TAXES AND ASSESSMENTS

SEC. 701. The board may, in any year and in addition to the amounts otherwise provided in this law, levy taxes or assessments on all land and improvements in the district, pursuant to the authority provided in Section 306, to pay the general administrative costs and expenses of the district and to carry out any of the objects or purposes of this law of common benefit to the district; provided, however, that such tax or assessment shall not exceed ten cents ($0.10) on each one hundred dollars ($100) of assessed valuation.

SEC. 702. Subject to the provisions of Section 437, the board may, in any year and in addition to the amounts otherwise provided in this law, levy such taxes or assessments in each of the zones and participating zones as has been authorized after proceedings pursuant to Chapter 8 (commencing with Section 451) of Part 4 and Chapter 3 (commencing with Section 601) of this part, in amounts sufficient to pay the unpaid cost and expenses of carrying out, constructing, maintaining, operating, extending, repairing, or otherwise improving any or all works or projects established or to be established within or on behalf of such zone or participating zones, according to the benefits derived by such respective zones by levy or assessment upon all real property within a zone or participating zones, including both land and improvements thereon. It is declared that for the purposes of any tax or assessment levied under this section, the property so taxed or assessed within a given zone is equally benefited.

SEC. 703. Subject to the provisions of Section 437, the board may, in any year, and in addition to the amounts otherwise provided in this law, levy taxes or assessments, by levy or assessment upon all real property within a zone or participating zones, including both land and improvements thereon, in each or any of such zones according to the special benefits derived or to be derived by the specific properties therein, to pay the cost and expenses of carrying out any of the objects or purposes of this act of special benefit to such zone or participating zones, including the construction, maintaining, operating, extending, repairing, or otherwise improving any or all works or projects established or to be established within or on behalf of such zone or zones.

SEC. 704. In the event of project cooperation with any public entity as authorized pursuant to Chapter 5 (commencing with Section 401) of Part 4, and requiring the making of a contract with any such public entity by the terms of which work is to be performed by any such public entity in any specified zone or participating zones for the particular benefit thereof, and by such proposed contract the district is to pay to such public entity a sum of money in consideration or subvention for the performance of such work by such public entity, and subject to the provisions of Section 437, the board may, after proceedings in the manner prescribed in Chapter 8 (commencing with Section 451) of Part 4 of Chapter 3 (commencing

with Section 601) of this part, levy and collect a special tax or assessment upon the real property in such zone or participating zones, whereby to raise funds to enable the district to make such payment, in addition to other taxes or assessments herein otherwise provided for.

SEC. 705. All taxes or assessments shall be levied and collected together with, and not separately from, taxes for county purposes. The revenues derived from the district taxes or assessments shall be paid into the district treasury to the credit of the district, or the respective zones thereof, and the board shall have the power to control and order the expenditure thereof for the purposes for which the tax or assessment was levied; provided, however, that no revenues, or portions thereof, derived in any zone from the taxes or assessments levied under the provisions of this chapter shall be expended for constructing, maintaining, operating, extending, repairing, or otherwise improving any works or improvements located in any other zone, except in the case of joint projects, or for projects authorized or established outside of such zone, or participating zones, but for the benefit thereof. In cases of projects joint to two or more zones, such zones will become, and shall be referred to as, participating zones.

SEC. 706. District taxes or assessments for the payment of a bonded debt and the interest thereon shall be a lien on all the real property benefited thereby as stated in the resolution of the board of directors proposing the incurrence of the debt. All taxes or assessments for other purposes of the district shall be a lien on all the real property in the district subject to the respective tax or assessment. District taxes or assessments, whether for payment of a bonded indebtedness and the interest thereon or for other purposes, shall be of the same force and effect as other liens for taxes, and their collection may be enforced by the same means as provided for the enforcement of liens for state and county taxes.

SEC. 707. The provisions of law of this state, prescribing the priority, time, and manner of levying, assessing, equalizing, and collecting county property taxes, including the sale of property for delinquency, and the redemption from such sale, and the duties of the several county officers with respect thereto, are, so far as they are applicable and not in conflict with the specific provisions of this law, hereby adopted for the district and made a part hereof. Such officers shall be liable upon their several official bonds for the faithful discharge of the duties imposed upon them by this law.

CHAPTER 5. STANDBY AND USE CHARGES

SEC. 721. The district may fix standby charges to be applied on an area, or frontage, or parcel basis, or a combination thereof, to such areas within the agency to which service is made available, whether the service is actually used or not, for the purpose of financing or maintaining and operating projects or works which the district is

authorized to undertake. The district may establish schedules varying such charges according to the land uses and the degree of availability or quantity of use of such service to the affected lands, and may restrict such charge to lands lying within one or more zones established within such district; provided, however, that the district may not: (1) fix an annual charge in excess of ten dollars ($10) for each acre or for each parcel of less than one acre; (2) apply standby charges to parcels that are being used for the production of livestock for market or plant crops, including timber; or (3) apply standby charges to lands situated more than one-quarter of a mile from an available main or service connection.

SEC. 722. In the event the district levies an annual standby charge, the district shall collect the standby charges as a part of the annual general county tax bill; provided, the district furnishes in writing to the board of supervisors of the county and to the county auditor the description of each parcel for which a charge is to be billed together with the amount of the charge applicable to each parcel in sufficient time to meet the schedule established by the county for inclusion of such items on the county general tax bill. The parcel description may be the parcel number assigned by the county assessor to the parcel. In such cases, the standby charge shall become a lien against the parcel of land to which it is charged in the same manner as the county general taxes. Penalties may be collected for late payment of the standby charge or the amount thereof unpaid in the manner and at the same rates as that applicable for late payment or the amount thereof unpaid of county general taxes. The amount of the standby charge and any applicable penalty shall be stated on the tax bill separately from all other taxes, if practicable.

In the event the district levies and collects a standby charge pursuant to a monthly or other form of regular billing directly from the landowner of record, the district shall record a certificate of delinquency with the county recorder, specifying the amount due, which amount shall thereby become a lien against the parcel of land to which it is charged.

SEC. 723. In the event the district levies an annual ground water charge in the manner prescribed in Article 2 (commencing with Section 341) of Chapter 2 of Part 4, the district shall collect such ground water charge as a part of the annual general county tax bill; provided, the district furnishes in writing to the board of supervisors of the county and to the county auditor the description of each parcel for which a charge is to be billed together with the amount of the charge applicable to each parcel in sufficient time to meet the schedule established by the county for inclusion of such items on the county general tax bill. The parcel description may be the parcel number assigned by the county assessor to the parcel. In such cases, the ground water charges shall become a lien against the parcel of land to which it is charged in the same manner as the county general taxes. Penalties may be collected for late payment of the ground water charge or the amount thereof unpaid in the manner and at the

same rates as that applicable for late payment or the amount thereof unpaid of county general taxes, except as otherwise provided in Section 354. The amount of the ground water charge and any applicable penalty shall be stated on the tax bill separately from all other taxes, if practicable.

In the event the district levies and collects the ground water charges pursuant to a monthly or other form of regular billing directly from the landowner of record, the district shall record a certificate of delinquency with the county recorder, specifying the amount due, which amount shall thereby become a lien against the parcel of land to which it is charged.

PART 6. CHANGES IN ORGANIZATION

CHAPTER 1. ANNEXATION TO ZONES

SEC. 801. The board, by resolution, may initiate proceedings for the annexation of territory within the district to a zone or participating zones whether such territory is contiguous or not to such zone or participating zones.

The resolution proposing annexation shall:

(a) Declare that proceedings have been initiated by the board pursuant to this act.

(b) State the reason for proposing the annexation.

(c) Set forth a description of the area proposed to be annexed, which may be made by reference to a map on file with the secretary of the district which map shall govern for all details as to the extent of the area proposed to be annexed.

(d) State the terms and conditions of the annexation.

(e) State that the holders of title to any of the land sought to be annexed may file written protests with the secretary to the annexation or to the annexation upon such terms and conditions.

(f) Fix the time and place of a meeting at which the board will receive written protests theretofore filed with the secretary, receive additional written protests, and hear from any and all persons interested in the annexation.

The text of the resolution proposing annexation shall be published, pursuant to Section 6066 of the Government Code, prior to the time of hearing in at least one newspaper published or circulated in the district.

A copy of the resolution proposing annexation shall also be posted in three public places within the zone or participating zones and three public places in the area proposed to be annexed for at least two weeks prior to the hearing.

The board shall proceed with the hearing at the time and place fixed therefor and may continue the hearing, if need be, from time to time. All interested persons shall be heard at the hearing.

SEC. 802. If written protests are filed by the holders of title of one-half of the value of the territory proposed to be annexed as

shown by the last equalized assessment roll of the county, further proceedings shall not be taken, and the board shall refuse the annexation by a resolution so stating.

If written protest is not made by the owners of one-half of the value of the territory proposed to be annexed, and if, at the conclusion of the hearing, the board finds and determines from the evidence presented at the hearing that the area proposed to be annexed to a zone or participating zones will be benefited thereby, and that the zone or participating zones to which the area proposed to be annexed will also be benefited thereby or will not be injured thereby, the board may, by resolution, approve such annexation.

The resolution shall describe the territory annexed, which may be by reference to a map on file with the secretary, which map shall govern for all details as to the extent of the annexed area. The resolution shall also state the terms and conditions of annexation as theretofore determined by resolution of the board.

If the board finds and determines that either the area proposed to be annexed to the zone or participating zones will not be benefited thereby or that the zone or participating zones to which the area is proposed to be annexed will not be benefited thereby and will be injured thereby, the board shall by resolution disapprove such annexation.

SEC. 803. From and after the date of the adoption of the resolution approving the annexation, the area described therein is added to and forms a part of the zone or participating zones.

The taxable property in the annexed area shall be subject to taxation after the annexation thereof for the purposes of the zone or participating zones, including the payment of the principal of and interest on bonds and other obligations of the zone or participating zones authorized and outstanding at the time of the annexation. If the terms and conditions established by the board specifically so provide the taxable property in the annexed territory shall be subject to taxation as if the annexed property had always been a part of the zone or participating zones.

The board may do all things necessary to enforce and make effective the terms and conditions of annexation fixed by it.

Any action or proceeding in which the validity of an annexation to a zone or participating zones pursuant to this section is contested, questioned, or denied shall be commenced within three months after the date of the resolution of the board approving the annexation of the territory to a zone or participating zones; otherwise, the annexation shall be held valid and in every respect legal and incontestable.

SEC. 804. Notwithstanding the provisions of Section 802, if the petition for annexation of land to a zone or participating zones is signed by all of the holders of title of land in the portion proposed to be annexed, the board may proceed and act thereon without notice and hearing, but shall otherwise comply with the applicable provisions of this law.

CHAPTER 2. EXCLUSION FROM ZONES

SEC. 821. Proceedings to exclude territory from a zone or participating zones may be initiated by the board upon its own motion, or shall be initiated by the board upon receipt of a petition for exclusion signed by not less than 10 percent of the voters of the area proposed to be excluded which states reasons such exclusion will be beneficial to the district or the zone or participating zones or the territory to be excluded.

SEC. 822. Upon adoption of such motion to initiate exclusion proceedings or upon receipt of such petition for exclusion, the board shall adopt a resolution of intention to exclude which shall state:

(a) The method by which such exclusion proceedings were initiated, by motion of the board or by petition of voters.

(b) That taxes for carrying out the purpose of the zone or participating zones will not be levied upon taxable property in the excluded territory following such exclusion in the event such territory is excluded.

(c) That following such exclusion, the taxable property in the territory remaining in such zone or participating zones shall continue to be levied upon and taxed to provide funds for the purposes of such zone or participating zones.

The resolution of intention to exclude shall also state that a map showing the exterior boundaries of the proposed territory to be excluded, with relation to the territory remaining in such zone or participating zones, is on file with the secretary and is available for inspection by any person or persons interested.

This map shall govern for all details as to the extent of the proposed exclusion.

SEC. 823. The resolution of intention shall also state:

(a) The time and place for a hearing by the board on the questions of the proposed exclusion and the effect of such exclusion upon the district, the zone or participating zones, and the territory to be excluded.

(b) That at such time and place any person interested, including all persons owning property in the agency or in the zone or participating zones, will be heard.

SEC. 824. Notice of the hearing shall be given by publishing a copy of the resolution of intention to exclude, pursuant to Section 6066 of the Government Code, prior to the time fixed for the hearing in a newspaper of general circulation published or circulated in the district. Such notice shall also be given by posting a copy of the resolution of intention to exclude in three public places within the affected zone or participating zones for at least two weeks before the time fixed for the hearing.

At the time and place so fixed in the resolution of intention to exclude, or at any time or place to which the hearing is adjourned, the board shall proceed with the hearing. At the hearing any person interested, including any person owning property in the district or

in the zone or participating zones, may appear and present any matters material to the questions set forth in the resolution of intention to exclude.

At the conclusion of the hearing, the board shall by resolution determine whether it is necessary or desirable to exclude such territory. If so, the resolution shall also state:

(a) The reasons why such exclusion is necessary or desirable.

(b) That the exterior boundaries of the zone or participating zones following such exclusion are set forth on a map on file with the secretary, which map shall govern all details as to the extent of the zone or participating zones as then constituted.

The determinations made in the resolution of exclusion shall be final and conclusive.

SEC. 825. After the exclusion of territory from the zone or participating zones pursuant to this section, all taxes levied for the carrying out of the purpose of such zone or participating zones shall be levied exclusively upon the taxable property in the zone or participating zones as then constituted.

A copy of the resolution of exclusion shall be published pursuant to Section 6066 of the Government Code in a newspaper of general circulation published or circulated in the district. A copy of the resolution shall also be posted in three public places within the zone or participating zones for at least two weeks.

The resolution of exclusion shall not be effective until the 31st day after completion of the publication and posting.

Any action or proceeding in which the validity of the exclusion of territory from the zone or participating zones or of any of the proceedings in relation thereto is contested, questioned, or denied shall be commenced within three months from the effective date of the resolution of exclusion; otherwise, the exclusion and all proceedings in relation thereto shall be held to be valid and in every respect legal and incontestable.

SEC. 826. If territory is excluded from a zone or participating zones as a result of being detatched from the district after bonds have been authorized at an election held in such zone or participating zones, but before any of such bonds have been issued and sold, the board of directors may modify the proposed work or project to take into consideration any change in circumstances resulting from such detachment, and may issue bonds in an amount not exceeding the amount authorized at such election for the purpose of paying the cost of the work or project as modified without any further election, but only after notice and hearing in the same manner as provided in Section 824, and provided that at the conclusion of the hearing the board of directors shall by resolution determine that the remaining territory within the zone or participating zones will be benefited by the work or project as modified.

CHAPTER 3. DISSOLUTION OF ZONES

SEC. 841. Notwithstanding any other provision herein, whenever the board deems it necessary for any zone or participating zones formed pursuant to this act to be dissolved, it shall by resolution declare its intention to dissolve the zone or participating zones.

SEC. 842. The resolution of intention shall state:

(a) The reason why the zone or participating zones should be dissolved.

(b) If the zone or participating zones were formed pursuant to Section 431, 474 or 606 of this law, that no bonds have been issued for the zone or participating zones or are outstanding.

(c) If the zone or participating zones were formed pursuant to Section 431 or 474 of this law, that no indebtedness or liability was incurred for the zone or participating zones or is outstanding.

(d) That a map showing the exterior boundaries of the zone or participating zones, with relation to the territory immediately contiguous thereto, is on file with the secretary and is available for inspection by any person or persons interested.

(e) The time and place for a hearing by the board on the question of the dissolution of the zone or participating zones.

(f) That at such time and place any person interested, including all persons owning property in the district or in the zone or participating zones will be heard.

SEC. 843. Notice of the hearing shall be given by publishing a copy of the resolution, pursuant to Section 6066 of the Government Code, prior to the time fixed for the hearing in a newspaper of general circulation published or circulated in the district. Such notice shall also be given by posting a copy of the resolution in three public places within the zone or participating zones for at least two weeks before the time fixed for the hearing.

SEC. 844. At the time and place fixed in the resolution of intention, or at any time or place to which the hearing is adjourned, the board shall proceed with the hearing. At the hearing any person interested, including all persons owning property in the district or in the zone or participating zones, may appear and present any matters material to the proposed dissolution.

SEC. 845. At the conclusion of the hearing, the board shall by ordinance determine whether it is necessary to dissolve the zone or participating zones. If so, the ordinance shall state that the exterior boundaries of the zone or participating zones are set forth on a map on file with the secretary and shall declare the zone or participating zones dissolved. The determinations made in the ordinance shall be final and conclusive.

SEC. 846. When the ordinance declaring a zone or participating zones dissolved becomes effective, the dissolution of such zone or participating zones is complete.

SEC. 847. The taxable property within the boundaries of the

dissolved zone or participating zones shall continue to be taxed or assessed for any indebtedness of the district contracted for such dissolved zone or participating zones until the indebtedness has been satisfied, to the same extent that such property would be taxable for such purpose if the dissolution had not occurred.

SEC. 848. Any action or proceeding in which the validity of the dissolution of a zone or participating zones, or of any of the proceedings in relation thereto, is contested, questioned, or denied shall be commenced within three months from the effective date of the ordinance dissolving the zone or participating zones; otherwise, the dissolution of the zone or participating zones and all proceedings in relation thereto shall be held to be valid and in every respect legal and incontestable.

SEC. 849. After a bond election has been held in a zone or participating zones formed pursuant to Section 474 and less than a majority of the votes cast in such election were in favor of the measure, the board may within one year of the date of such election call and hold another election as provided in Sections 471 through 477, inclusive, for the purpose of resubmitting such measure to the electors of such zone or participating zones. If such measure is not so resubmitted such zone or participating zones, on the anniversary date of the election, are dissolved without further action by the board. If such measure is resubmitted and fails to receive more than a majority of the votes cast in such election in favor of such measure, such zone or participating zones are dissolved following the canvass of the election returns.

CHAPTER 4. DISTRICT REORGANIZATION

SEC. 851. Notwithstanding Section 56039 of the Government Code, the district shall be deemed to be a "district" within the provisions of the District Reorganization Act of 1965 (Division 1 (commencing with Section 56000) of Title 6 of the Government Code), and all proceedings for the annexation or detachment of territory to or from the district shall be conducted in the manner therein provided and all the provisions of such act shall apply to the district.

SEC. 852. The annexation of territory lying within the district to any city shall in no way affect the jurisdiction or boundaries of the district in regard to such territory and said territory shall remain within and a part of the district for all purposes until proceedings to detach such territory from the district have been taken and completed as provided herein.

SEC. 901. No appropriation is made by this act, nor is any obligation created thereby under Section 2231 of the Revenue and Taxation Code, for the reimbursement of any local agency for any costs that may be incurred by it in carrying on any program or performing any service required to be carried on or performed by it by this act.

CHAPTER 528

An act to add Section 12034 to the Penal Code, relating to Weapons.

[Approved by Governor September 2, 1977 Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 12034 is added to the Penal Code, to read:

12034. It is a misdemeanor for a driver of any motor vehicle or the owner of any motor vehicle, irrespective of whether such owner is occupying such vehicle, knowingly to permit any other person to carry into or bring into the vehicle a firearm in violation of Section 12031 or in violation of Section 2006 of the Fish and Game Code or knowingly to permit such other person to discharge any firearm from such vehicle in violation of any provision of this code.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local governmental entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 529

An act to add Sections 992, and 11007.8 to the Government Code, relating to public entities.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 992 is added to the Government Code, to read:

992. Notwithstanding any other provision of law, an insurance issuer that has issued insurance to a local public entity shall give a 45-day notice to such local public entity before cancellation or nonrenewal of a liability insurance policy.

SEC. 2. Section 11007.8 is added to the Government Code, to read:

11007.8. Notwithstanding any other provision of the law, an insurance issuer that has issued insurance to a state agency shall give a 45-day notice to such state agency before cancellation or nonrenewal of a liability insurance policy.

CHAPTER 530

An act to amend Section 9243 of, and to add Section 9161.5 to, the Elections Code, relating to elections.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 9161.5 is added to the Elections Code, to read:

9161.5. The national committeeman and national committeewoman of the party, and the chairman, vice chairman, and immediate past chairman of this committee, shall each appoint three voters to the membership of this committee, two of whom shall be of the opposite sex. Such appointment shall be in addition to any other appointments authorized by this chapter.

SEC. 2. Section 9243 of the Elections Code is amended to read:

9243. Revocation or change of proxies shall be recognized by the committee on proxies and credentials only upon a personal request made by the member who granted the proxy before the committee.

CHAPTER 531

An act to amend Section 52571 of the Education Code, relating to special education.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 52571 of the Education Code is amended to read:

52571. Special classes for handicapped adults may be conducted under the direction of the governing board of the school district in workshop and training facilities provided by nonprofit organizations, or in public school facilities. Such facilities may include those where part-time paid work education and training is conducted and where less than the state minimum wage is paid.

CHAPTER 532

An act to add Section 5907 to the Welfare and Institutions Code, relating to confidentiality of records.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977]

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

SECTION 1. Section 5907 is added to the Welfare and Institutions Code, to read:

5907. Records of the identity, diagnosis, prognosis, or treatment of any patient which are maintained in connection with performance of any narcotic and drug abuse program shall be confidential and shall be disclosed only for the purposes and under the circumstances expressly authorized by this section. The content of any record referred to in this section may be disclosed in accordance with the prior written consent of the patient with respect to whom such record is maintained, or:

(a) To licensed medical personnel to the extent necessary to meet a bona fide medical emergency.

(b) To qualified personnel for the purpose of conducting scientific research, management audits, or program evaluation, but such personnel shall not identify, directly or indirectly, any individual patient in any report of such research, audit, or evaluation, or otherwise disclose patient identities in any manner.

(c) If authorized by an appropriate order of a court of competent jurisdiction granted after application showing good cause therefor. In assessing good cause, the court shall weigh the public interest and the need for disclosure against the injury to the patient, to the physician-patient relationship, and to the treatment services program. Upon the granting of such order, the court, in determining the extent to which any disclosure of all or any part of any record is necessary, shall impose appropriate safeguards against unauthorized disclosure.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local governmental entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 533

An act to amend Section 1604 of, and to add Sections 2509, 42649 and 85265.5 to, the Education Code, and to add Section 2261.2 to the Revenue and Taxation Code, relating to schools, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 2, 1977 Filed with Secretary of State September 3, 1977]

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

SECTION 1. Section 1604 of the Education Code is amended to read:

1604. No moneys shall be expended from the county school service fund for any purpose in excess of the latest proposed expenditures for such purpose as approved by the Superintendent of Public Instruction or the Board of Governors of the California Community Colleges, as the case may be, under Section 14050, without the approval of the Superintendent of Public Instruction or the Board of Governors of the California Community Colleges, as the case may be.

It shall be the duty of the county auditor to approve warrants drawn on the county school service fund for expenses approved in the county school service fund budget; provided, however, in a county in which the board of supervisors has transferred educational functions to the county board of education pursuant to Section 1080, and a single budget has been authorized for the purposes of the county school service fund, county board of education, county committee on school district organization, and the office of the county superintendent of schools pursuant to Sections 1620 to 1625, inclusive, and the board of supervisors has made the provisions of Sections 42649 and 85265.5 applicable in the county, orders for warrants and warrants shall be signed by the county superintendent of schools and paid by the county treasurer without the approval of the county auditor.

A listing of all warrants issued by the county superintendent of schools, where the approval of the county auditor is not required, shall be forwarded to the county auditor on the same day they are issued. The form of the warrant and the form and content of the warrant listing shall be as approved by the county auditor. The county auditor shall not be liable upon his bond or otherwise for any warrant issued where his approval is not required.

SEC. 2. Section 2509 is added to the Education Code, to read:

2509. Whenever a county board of supervisors adopts the provisions of Sections 42649 and 85265.5 and thereby transfers certain duties of the county auditor to the county superintendent of schools as provided therein, the maximum tax rate of the county superintendent of schools shall, commencing with the fiscal year following the effective date of such transfer, be increased by an amount sufficient to produce annual revenues equivalent to the expenditures from the county general fund used to provide such services of the county auditor in the fiscal year immediately prior to the date of the transfer of functions to the county superintendent of schools.

SEC. 3. Section 42649 is added to the Education Code, to read:

42649. In a county in which the board of supervisors has transferred educational functions to the county board of education pursuant to Section 1080, and a single budget has been authorized for

the purposes of the county school service fund, county board of education, county committee on school district organization, and the office of the county superintendent of schools pursuant to Sections 1620 to 1625, inclusive, the duties of the county auditor specified in this article shall be performed by the county superintendent of schools.

A listing of all warrants approved and allowed by the county superintendent of schools pursuant to this section shall be forwarded to the county auditor on the same day the warrants are forwarded to the school district or the payee. The form of the warrant and the form and content of the warrant listing shall be as prescribed by the county auditor.

Notwithstanding Section 27005 of the Government Code, or any other section requiring orders for warrants or warrants to be signed by the county auditor, the county treasurer in counties subject to this section shall pay warrants which are signed by the county superintendent of schools, and the county auditor shall not be liable under his bond or otherwise for a warrant issued pursuant to this section.

This section shall apply only in those counties in which the county board of supervisors has adopted its provisions by resolution.

SEC. 4. Section 85265.5 is added to the Education Code, to read:

85265.5 In a county in which the board of supervisors has transferred educational functions to the county board of education pursuant to Section 1080, and a single budget has been authorized for the purposes of the county school service fund, county board of education, county committee on school district organization, and the office of the county superintendent of schools pursuant to Sections 1620 to 1625, inclusive, the duties of the county auditor specified in Articles 4 (commencing with Section 85230) and 5 (commencing with Section 85260) of this chapter shall be performed by the county superintendent of schools.

A listing of all warrants approved and allowed by the county superintendent of schools pursuant to this section shall be forwarded to the county auditor on the same day the warrants are forwarded to the district or the payee. The form of the warrant and the form and content of the warrant listing shall be as prescribed by the county auditor.

Notwithstanding Section 27005 of the Government Code, or any other section requiring orders for warrants or warrants to be signed by the county auditor, the county treasurer in counties subject to this section shall pay warrants which are signed by the county superintendent of schools, and the county auditor shall not be liable under his bond or otherwise for any warrant issued pursuant to this section.

This section shall apply only in those counties in which the county board of supervisors has adopted its provisions by resolution.

SEC. 5. Section 2261.2 is added to the Revenue and Taxation Code, to read:

2261.2. Whenever a county board of supervisors adopts the provisions of Sections 42649 and 85265.5 of the Education Code and thereby transfers certain duties of the county auditor to the county superintendent of schools as provided therein, the maximum tax rate of the county shall, commencing with the fiscal year following the effective date of such transfer, be decreased by an amount which, if levied in such fiscal year, would produce annual revenues equivalent to the expenditures from the county general fund used to provide such services of the county auditor in the fiscal year immediately prior to the date of the transfer of functions to the county superintendent of schools.

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

This act would provide for the transfer of functions from a county auditor to a county superintendent of schools and would increase the tax rate of a county superintendent of schools by an amount sufficient to provide the services previously rendered by the county auditor and would provide for a corresponding decrease in the maximum tax rate of the county. In order that such changes in local taxing authority may take place in the fiscal year immediately following the transfer of functions, as provided for in this act, it is necessary that this act take effect immediately.

CHAPTER 534

An act to amend Section 14672.9 of the Government Code, relating to the letting of state property.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977]

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

SECTION 1. Section 14672.9 of the Government Code is amended to read:

14672.9. Notwithstanding Section 14670, the Director of General Services, with the consent of the State Department of Health, may let in the best interests of the state to a nonprofit corporation, for the purpose of conducting an educational and work program for mentally retarded and other handicapped persons, and for a period not to exceed 50 years, real property not exceeding 43.81 acres located within the grounds of the Agnews State Hospital.

The lease authorized by this section shall be nonassignable and shall be subject to periodic review every five years. Such review shall be made by the Director of General Services, who shall:

(a) Assure the state the original purposes of the lease are being

carried out;

(b) Determine what, if any, adjustment should be made in the terms of the lease.

Any lease executed pursuant to this section shall include a provision that such lease shall be canceled if permanent facilities are not constructed on the leased land on or before January 1, 1983.

CHAPTER 535

An act to amend Sections 45284 and 88103 of the Education Code, relating to merit system school districts and community college districts.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 45284 of the Education Code is amended to read:

45284. When an open competitive examination and a promotional examination for a particular class are held at the same time, the commission may prior to the examination authorize certification for employment of candidates from the open competitive eligibility list before the promotional eligibility list has been exhausted if the candidate on the open list has a higher score before adjustment for preferential credits than the score of the highest available candidate on the promotional list after seniority credits have been added.

SEC. 2. Section 88103 of the Education Code is amended to read:

88103. When an open competitive examination and a promotional examination for a particular class are held at the same time, the commission may, prior to the examination, authorize certification for employment of candidates from the open competitive eligibility list before the promotional eligibility list has been exhausted if the candidate on the open list has a higher score before adjustment for preferential credits than the score of the highest available candidate on the promotional list after seniority credits have been added.

CHAPTER 536

An act relating to the transfer of specified lands to the state park system, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Notwithstanding Chapter 73 of the Statutes of 1950, First Extraordinary Session, the County of Butte is authorized to transfer to the State of California, subject to the provisions of Sections 11005 and 11005.1 of the Government Code, as an addition to the State Park System, all the rights, title, and interest of the County of Butte, in and to, all those certain lots, pieces or parcels of land situated in the County of Butte, State of California, and bounded and described as follows, to wit:

All the strip of land varying width bounded on the west by the Sacramento River and an inlet thereof; on the east by the west line of Sutter Avenue and west line of the County Road, said strip of land extending from the north boundary of Rancho Arroyo Chico, in the N.W.¼ of Section 22, Township 22 North of Range 1 West, M.D.B. and M. to the southerly extremity of said Rancho Arroyo Chico on the north bank of Chico Creek near its confluence with the Sacramento River in Section 2, Township 21 North of Range 1 West, M.D.B. and M. excepting and reserving therefrom Lot 32 of the Meridian Subdivision of the John Bidwell Rancho.

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

It authorizes the transfer, which has been in negotiations for years and wanted by both the State Department of Parks and Recreation and the Chico Area Recreation District. It will settle the dilemma of both entities.

CHAPTER 537

An act to amend Section 53069.9 of the Government Code, relating to fire protection.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977]

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

SECTION 1. Section 53069.9 of the Government Code is amended to read:

53069.9. Any public agency providing water for fire protection purposes may, by ordinance or resolution, fix and collect a charge to pay the costs of installing and of maintaining fire hydrants.

Any such charge fixed pursuant to this section, may be made on all land within the public agency to which water is made available for fire protection purposes. The legislative body of the agency which fixes such a charge may establish schedules varying the charges in

different localities within the agency depending on the actual cost of installing and maintaining the fire hydrants. Such charges may be collected at the same time and in the same manner as other water rates or water charges collected by the public agency. The public agency which fixes such a charge shall not, however, impose such charges upon a fire protection district or other public agency providing fire protection services, except pursuant to a written agreement with such district or public agency.

CHAPTER 538

An act to amend Sections 11426 and 11427 of the Government Code, relating to state agencies.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 11426 of the Government Code is amended to read:

11426. Except where the right to petition for adoption of a regulation is restricted by statute to a designated group or where the form of procedure for such a petition is otherwise prescribed by statute, any interested person may petition a state agency requesting the adoption, amendment, or repeal of a regulation as provided in this article. Such petition shall state clearly and concisely:

(a) The substance or nature of the regulation, amendment, or repeal requested;

(b) The reason for the request;

(c) Reference to the authority of the state agency to take the action requested.

SEC. 2. Section 11427 of the Government Code is amended to read:

11427. (a) Upon receipt of a petition requesting the adoption, amendment or repeal of a regulation pursuant to this article, a state agency shall notify the petitioner in writing of the filing and then shall within 30 days deny the petition indicating why the agency has reached such a decision on the merits of the petition in writing or schedule the matter for public hearing pursuant to Sections 11423, 11424, and 11425 of this article.

(b) A state agency may grant or deny such a petition in part, and may grant such other relief or take such other action as it may determine to be warranted by the petition and shall notify the petitioner in writing of such action.

(c) Any interested person may request reconsideration of any part or all of a decision of any agency on any petition submitted. Any such request shall be submitted in accordance with Section 11426 and include the reason(s) why an agency should reconsider its previous

decision no later than 60 days after the date of the decision involved. The agency's reconsideration of any matter relating to a petition shall be subject to the provisions of paragraph (a).

CHAPTER 539

An act to amend Section 105 of, and to add Section 4807 to, the Revenue and Taxation Code, relating to taxation.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

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

SECTION 1. Section 105 of the Revenue and Taxation Code is amended to read:

105. "Improvements" includes:

(a) All buildings, structures, fixtures, and fences erected on or affixed to the land.

(b) All fruit, nut bearing, or ornamental trees and vines, not of natural growth, and not exempt from taxation, except date palms under eight years of age.

SEC. 2. Section 4807 is added to the Revenue and Taxation Code, to read:

4807. No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action, or proceeding in any court against any county, municipality, or district, or any officer thereof, to prevent or enjoin the collection of property taxes sought to be collected.

CHAPTER 540

An act to amend Sections 16750, 16753, 16754, 16754.5, and 16755 of the Business and Professions Code, relating to restraints on competition.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977]

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

SECTION 1. Section 16750 of the Business and Professions Code is amended to read:

16750. (a) Any person who is injured in his business or property by reason of anything forbidden or declared unlawful by this chapter, may sue therefor in any court having jurisdiction in the county where the defendant resides or is found, or any agent resides or is

found, or where service may be obtained, without respect to the amount in controversy, and to recover three times the damages sustained by him, and shall be awarded a reasonable attorneys' fee together with the costs of the suit.

The amendments to this section adopted at the 1959 Regular Session of the Legislature do not apply to any action commenced prior to September 18, 1959.

(b) The state and any of its political subdivisions and public agencies shall be deemed a person within the meaning of this section.

(c) The Attorney General may bring an action on behalf of the state or of any of its political subdivisions or public agencies to recover the damages provided for by this section, or by any comparable provision of federal law, provided that the Attorney General shall notify in writing any political subdivision or public agency of his intention to bring any such action on its behalf, and at any time within 30 days thereafter, such political subdivision or public agency may, by formal resolution of its governing body or as otherwise specifically provided by applicable law, withdraw the authority of the Attorney General to bring the intended action. In any action brought pursuant to this section on behalf of any political subdivision or public agency of the state, the state shall retain for deposit in the Attorney General antitrust account within the General Fund, out of the proceeds, if any, resulting from such action, an amount equal to the expense incurred by the Attorney General in the investigation and prosecution of such action or an amount equal to 10 percent of the total recovery obtained by the Attorney General, whichever is greater.

(d) In any antitrust action brought on behalf of the state in which the Attorney General is the class representative of political subdivisions, public agencies, or citizens of the state who have been affected by the matters set forth in the complaint, the state shall retain for deposit in the Attorney General antitrust account within the General Fund, the proceeds, if any, of any attorneys' fees awarded by the court in which such case is located, to the Attorney General, resulting from such class representation.

(e) In any action brought by the Attorney General pursuant to either state or federal antitrust laws for the recovery of damages by the state or any of its political subdivisions or public agencies, in addition to his other powers and authority, the Attorney General may enter into contracts relating to the investigation and the prosecution of such action with any other party plaintiff who has brought a similar action for the recovery of damages and with whom the Attorney General finds it advantageous to act jointly, or to share common expenses or to cooperate in any manner relative to such action. In any such action, notwithstanding the provisions of Section 12520 of the Government Code, the Attorney General may undertake, among other things, either to render legal services as special counsel to, or to obtain the legal services of special counsel from any department or agency of the United States, of this state or

any other state or any department or agency thereof, any county, city, public corporation or public district of this state or of any other state, that has brought or intends to bring a similar action for the recovery of damages, or their duly authorized legal representatives in such action. The Attorney General may also enter into any agreement authorized by Chapter 5 (commencing with Section 6500), Division 7, Title 1 of the Government Code with any governmental entity enumerated in this subdivision, notwithstanding any provision to the contrary contained in Section 6500 of the Government Code. Every contract or agreement entered into pursuant to this subdivision (e) shall be approved by the Department of General Services.

(f) The amounts paid into the Attorney General antitrust account within the General Fund pursuant to subdivisions (c), (d) and (e) arising from the same action or companion actions shall not cumulatively exceed the greater of ten percent (10%) of the total recovery in all actions resulting from the Attorney General's representation or an amount equal to the expenses incurred by the Attorney General in the investigation and prosecution of such actions. Any excess shall be paid into the General Fund.

(g) The district attorney of any county may prosecute any action on behalf of such county or any city or public agency or political subdivision located wholly within such county which the Attorney General is authorized to bring pursuant to subdivision (c) of this section, whenever it appears that the activities giving rise to such prosecution or the effects of such activities occur primarily within such county. The district attorney shall file with the Attorney General at least 30 days prior to the filing of any such action a copy of the proposed complaint together with a confidential memorandum and report explaining the facts giving rise to the proposed prosecution and supporting the filing of the new complaint. Prior to entering into any stipulated or consent judgment or other settlement of any such action, the district attorney shall file with the Attorney General at least 30 days prior to the execution thereof a copy of the proposed settlement together with a memorandum of explanation of the settlement. The Attorney General may waive any time requirements provided in this subdivision. In any investigation or action undertaken or brought by a district attorney pursuant to this section, if the Attorney General deems it necessary and in the public interest, the Attorney General may take full charge of any such investigation or prosecution, and the Attorney General shall have all the powers granted by Section 12550 of the Government Code in respect thereto.

(h) In any action prosecuted pursuant to the provisions of subdivision (g) a district attorney may exercise all of the powers conferred on the Attorney General by subdivision (e) provided that every contract or agreement entered into pursuant to this subdivision by a district attorney shall first be approved by the governing authority of the agency in his county.

(i) In any action brought pursuant to subdivision (g) a district attorney may represent any political subdivision located within his county directly, in which case he shall notify in writing such political subdivision of his intention to bring any such action on its behalf, and at any time within 30 days thereafter, such political subdivision may, by formal resolution of its governing body or as otherwise specifically provided by applicable law, withdraw the authority of the district attorney to bring the intended action. In any action in which a district attorney directly represents any political subdivision located within his county, the district attorney shall retain out of the proceeds, if any, resulting from such action, an amount equal to the expense incurred by the district attorney in the investigation and prosecution of such action or an amount equal to 10 percent of the total recovery obtained by the district attorney, whichever is greater. In any action brought pursuant to subdivision (g) in which the county, through the district attorney, is the class representative of political subdivisions located within such county, the district attorney shall retain the proceeds, if any, of any attorneys' fees awarded by the court in which such action is pending to the district attorney, resulting from such class representation. All proceeds retained by a district attorney pursuant to this subdivision shall be deposited in the appropriate account as provided by law.

(j) Nothing in this section shall be construed to authorize any district attorney to exercise the powers conferred upon the Attorney General by an act of Congress of September 30, 1976, (P.L. 94-905; 90 Stat. 1983) also known as the Hart-Scott-Rodino Antitrust Improvements Act of 1976, except at the direction of the Attorney General.

SEC. 2. Section 16753 of the Business and Professions Code is amended to read:

16753. Every foreign corporation or association, exercising any of the powers, franchises or functions of a corporation in this state, which violates this chapter, is subject to revocation of those powers, franchises or functions and upon such revocation is prohibited from doing any business in this state. The Attorney General, or a district attorney of a county where the offense or any part thereof is committed, may enforce this provision by bringing proper proceedings by injunction or otherwise. Upon receipt of a certified copy of the judgment and decree of any court of competent jurisdiction finding any foreign corporation or association guilty of violating this chapter and ordering a revocation of its powers, franchises or functions of a corporation in this state, the Secretary of State shall revoke the license of any such corporation or association heretofore authorized to do business in this state.

SEC. 3. Section 16754 of the Business and Professions Code is amended to read:

16754. The Attorney General, or the district attorney of any county, subject to the notice requirements of subdivision (g) of Section 16750, shall initiate civil actions or criminal proceedings for

violation of this chapter. Civil actions and criminal proceedings for violation of this chapter initiated by the Attorney General or district attorney may be brought in the superior court in and for any county where the offense or any part thereof is committed or where any of the offenders reside or where any corporate defendant does business. In any civil action or criminal proceeding brought by a district attorney pursuant to this section, the Attorney General shall have all of the powers set forth in Section 12550 of the Government Code.

SEC. 4. Section 16754.5 of the Business and Professions Code is amended to read:

16754.5. In any civil action brought by the Attorney General or a district attorney under this chapter, the court may, in addition to granting such prohibitory injunctions and other restraints as it may deem expedient to deter the defendant from, and insure against, his committing a future violation of this chapter, grant such mandatory injunctions as may be reasonably necessary to restore and preserve fair competition in the trade or commerce affected by the violation.

SEC. 5. Section 16755 of the Business and Professions Code is amended to read:

16755. (a) Any violation of this chapter is a conspiracy against trade, and any person who engages in any such conspiracy or takes part therein, or aids or advises in its commission, or who as principal, manager, director, agent, servant or employee, or in any other capacity, knowingly carries out any of the stipulations, purposes, prices, rates, or furnishes any information to assist in carrying out such purposes, or orders thereunder or in pursuance thereof, is punishable by a fine of not more than one million dollars ($1,000,000) if a corporation, or one hundred thousand dollars ($100,000) if an individual, or by imprisonment in a state prison for not more than three years, or by imprisonment for not more than one year in a county jail, or by both such fine and imprisonment.

(b) Any action pursuant to this section may be commenced at any time within four years after the commission of the last act comprising a part of any violation. No cause of action barred under existing law on the effective date of the amendment of this section at the 1977–78 Regular Session of the Legislature shall be revived by such amendment.

(c) Subject to the provisions of Section 13521 of the Penal Code, all moneys received by any court in payment of any fine or civil penalty imposed pursuant to this section shall, as soon as practicable after receipt thereof, be deposited with the county treasurer of the county in which such court is situated. Amounts so deposited shall be paid as soon as practicable as follows: 100 percent to the State Treasurer by warrant of the county auditor drawn upon the requisition of the clerk or judge of said court to be deposited in the State Treasury on order of the State Controller if such moneys received resulted from an action initiated and prosecuted by the Attorney General. If such action was initiated and prosecuted by a district attorney then 100 percent shall be paid as soon as practicable

to the treasurer of the county in which the prosecution is conducted. If such action was initiated and prosecuted jointly by the Attorney General and a district attorney or jointly by more than one district attorney, such amounts shall be paid to the State Treasurer and to the treasurer(s) of the county or counties participating in the prosecution in a proportion agreed upon by the agencies jointly prosecuting such case and as approved by the court.

CHAPTER 541

An act to amend Section 16750.1 of the Business and Professions Code, relating to combinations in restraints of trade.

[Approved by Governor September 2, 1977 Filed with Secretary of State September 3, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 16750.1 of the Business and Professions Code is amended to read:

16750.1. Any civil action to enforce any cause of action for a violation of this chapter shall be commenced within four years after the cause of action accrued. No cause of action barred under existing law on the effective date of the amendment of this section at the 1977–78 Regular Session of the Legislature shall be revived by such amendment.

CHAPTER 542

An act to add Section 16759 to the Business and Professions Code, relating to district attorneys.

[Approved by Governor September 2, 1977 Filed with Secretary of State September 3, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 16759 is added to the Business and Professions Code, to read:

16759. All those powers granted to the Attorney General as a head of a department under Article 2 (commencing with Section 11180) of Chapter 2 of Part 1 of Division 3 of Title 2 of the Government Code shall be granted to the district attorney of any county where such district attorney reasonably believes that there may have been a violation of Article 2 (commencing with Section 16720) or Article 3 (commencing with Section 16750) of this chapter, or a violation of Chapter 4 (commencing with Section 17000) of this part, or a

violation of Section 3369 of the Civil Code, and shall be subject to the provisions of Chapter 20 (commencing with Section 7460) of Division 7 of Title 1 of the Government Code. Any investigations pursuant to such powers shall be conducted in accordance with the procedures set forth in Article 2 of Chapter 2 of Part 1 of Division 3 of Title 2 of the Government Code. Court orders sought pursuant to this section shall be sought in the superior court of the county where the district attorney seeking the order holds office.

CHAPTER 543

An act to add Section 16760 to the Business and Professions Code, relating to restraints of trade.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 16760 is added to the Business and Professions Code, to read:

16760. (a) (1) The Attorney General may bring a civil action in the name of the people of the State of California, as parens patriae on behalf of natural persons residing in the state, in the superior court of any county which has jurisdiction of a defendant, to secure monetary relief as provided in this section for injury sustained by such natural persons to their property by reason of any violation of this chapter. The court shall exclude from the amount of monetary relief awarded in such action any amount of monetary relief (A) which duplicates amounts which have been awarded for the same injury, or (B) which is properly allocable to (i) natural persons who have excluded their claims pursuant to paragraph (2) of subdivision (b), and (ii) any business entity.

(2) The court shall award the state as monetary relief the total damage sustained as described in paragraph (1), and the costs of suit, including a reasonable attorney's fee.

(3) The court may, in its discretion, award a reasonable attorney's fee to a prevailing defendant upon a finding that the attorney general or district attorney has acted in bad faith, vexatiously, wantonly, or for oppressive reasons.

(b) (1) In any action brought under this section, the Attorney General shall, at such times, in such manner, and with such content as the court may direct, cause notice thereof to be given by publication. If the court finds that notice given solely by publication would deny due process of law to any person or persons, the court may direct further notice to such person or persons according to the circumstances of the case.

(2) Any person on whose behalf an action is brought under

paragraph (1) of subdivision (a) may elect to exclude from adjudication the portion of the claim for monetary relief attributable to him by filing notice of such election with the court within such time as specified in the notice given pursuant to paragraph (1).

(3) The final judgment in an action under paragraph (1) of subdivision (a) shall be res judicata as to any claim under this section by any person on behalf of whom such action was brought and who fails to give such notice within the period specified in the notice given pursuant to paragraph (1).

(c) An action under paragraph (1) of subdivision (a) shall not be dismissed or compromised without the approval of the court, and notice of any proposed dismissal or compromise shall be given in such manner as the court directs.

(d) In any action under this chapter, where there has been a determination that a defendant agreed to fix prices, damages may be proved and assessed in the aggregate by statistical or sampling methods, by the pro rata allocation of illegal overcharges or of excess profits, or by such other reasonable system of estimating aggregate damages as the court in its discretion may permit without the necessity of separately proving the individual claim of, or amount of damage to, persons on whose behalf the suit was brought.

(e) Monetary relief recovered by the Attorney General under this section shall be distributed as follows:

(1) In such manner as the superior court having jurisdiction over the action in its discretion may authorize to insure, to the extent possible, that each person be afforded a reasonable opportunity to secure his appropriate portion of the monetary relief.

(2) The Attorney General shall retain that portion of the monetary relief awarded by the court as costs of suit and attorney's fee for deposit in the Attorney General Antitrust Account within the General Fund.

(3) To the extent that the monetary relief awarded by the court is not exhausted by distribution under paragraphs (1) and (2), the remaining funds shall be treated under the provisions of Article 3 (commencing with Section 1530) and Article 4 (commencing with Section 1540) of Chapter 7 of Title 10 of Part 3 of the Code of Civil Procedure as if it were unclaimed property, as defined in Section 1300 of the Code of Civil Procedure.

(f) The powers granted in this section are in addition to and not in derogation of the powers granted to the Attorney General by common law in respect to bringing actions parens patriae.

(g) The district attorney of any county may prosecute any action on behalf of the natural persons residing in such county which the Attorney General is authorized to bring pursuant to subdivision (a), whenever it appears that the activities giving rise to such prosecution or the effects of such activities occur primarily within such county. Prior to bringing any such action, a district attorney shall comply with the notice requirements provided in subdivision (g) of Section 16750. In any action brought pursuant to this subdivision, the

provisions of subdivisions (a) to (e), inclusive, shall be applicable, except that the portion of monetary relief awarded by the court as attorney's fee and costs shall be retained by the district attorney for deposit in the appropriate account as provided by law.

CHAPTER 544

An act to amend Section 24807 of, and to add Section 24807.5 to, the Education Code, relating to the State Teachers' Retirement System.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 24807 of the Education Code is amended to read:

24807. The balance of the assets delivered to the district pursuant to subdivision (c) of Section 24806, after the transfers, deposits and payments required by such section, or after establishment of reserves from which such deposits and payments shall be made, shall be allocated and distributed as follows:

(a) Sixty-five percent of such balance shall be distributed to the undistributed reserve of the general fund of the district to be reduced to cash as necessary and appropriated in any year by majority vote of the governing board. Until the balance of the assets has been reduced to cash, the governing board may invest and reinvest the assets in securities legal for the investment of funds of the State Teachers' Retirement System when in the judgment of the governing board any sale and reinvestment is advisable. Ten percent of this amount shall be used only for maintenance operation.

(b) Twenty percent of such balance shall be transferred to a special account in the undistributed reserve of the district's general fund to be reduced to cash as necessary in order to be used only for the purpose of reducing the tax collected pursuant to Section 23401 in order to provide the contributions required by Section 23400 to the Teacher's Retirement Fund. In the event that the special account is not wholly distributed for the purpose of making such contribution, the balance in the special account shall be released to the undistributed reserve. Until the balance of the assets has been reduced to cash, the governing board may invest and reinvest the assets in securities legal for the investment of funds of the State Teachers' Retirement System when in the judgment of the governing board any sale and reinvestment is advisable.

(c) Fifteen percent of such balance shall be held intact by the district in an annuity reserve fund from which shall be provided a supplementary annuity at time of retirement under any California

public retirement system to or on behalf of those members of the local district retirement system who were on the active roll or members on the retired roll of such local district retirement system as of June 30, 1972, and those members added to the active and retired rolls between June 30, 1972, and any later date of discontinuance, and those probationary or permanent certificated employees of the district holding memberships in California public retirement systems other than the local district retirement system who are making contributions to such systems on June 30, 1972, or on any later date of discontinuance. The supplement annuity may be paid in lump sum or in installments for the life of the person eligible, or his beneficiary, after his retirement.

No such participant in the annuity reserve fund shall have vested rights to the benefits of this annuity reserve fund until he has continued in active service for a period of five years from the date of discontinuance of the local district retirement system, except participants who have separated from service by reason of retirement, including deferred retirement, or death.

An account shall be opened in the name of each person eligible to participate in the benefits of the annuity reserve fund to which shall be credited his share of the annuity reserve fund. The individual participant's share of this fund shall bear the same ratio to the total of this fund as his annuity savings contributions, including interest earned, to the retirement system, to which he is making annuity contributions as of June 30, 1972, or any later date of discontinuance, or, if a retired member, the date of retirement prior to June 30, 1972, bears to the total annuity savings contributions, including interest earned, of all such participants in the retirement systems to which they are making contributions at the date of discontinuance, including total contributions to the local district retirement system previously made by living members on the retired roll. The fund shall include principal and interest in the account of any participant forfeited because said participant separated from service, except by reason of retirement, including deferred retirement, or death, within five years from June 30, 1972, or other date of discontinuance. Such forfeiture shall be treated as earnings of the fund.

As of June 30 each year, and on such other dates as the annuity reserve fund board may determine, the earnings of the fund less administrative expense shall be credited to the accounts of the remaining participants in the annuity reserve fund on the ratio that the participant's individual account balance bears to the total balance of the annuity reserve fund. The cost of administering the fund shall be charged against the assets of the fund, as approved by the governing board of the school district.

If a participant separates from service prior to June 30, of any year, the earnings since the preceding June 30 shall remain in the fund. Any member whose accumulated contributions to the local retirement system exceed the amount required by law to be deposited by the member in the State Teachers' Retirement

System's Annuity Fund upon discontinuance of the local system may deposit to his credit all or part of such excess amount in the annuity reserve fund.

The governing board of the school district which maintained the discontinued local district retirement system shall establish an annuity reserve fund board of not more than seven members, the majority of whom shall be composed of certificated employees who are participants in the annuity reserve fund. The certificated employees on the annuity reserve fund board shall be elected by participants in the annuity reserve fund. The annuity reserve fund board shall have the authority to make rules and regulations necessary for the management of the annuity reserve fund in accordance with modern business practice. The local district retirement board shall continue to function as the annuity reserve board pending its establishment.

Annuity reserve fund board shall invest the funds in securities which are legal for the investment of funds of the State Teachers' Retirement System and shall sell the securities and reinvest the proceeds in securities legal for the investment of funds of the State Teachers' Retirement System when in the judgment of the annuity reserve fund board any sale and reinvestment is advisable.

All securities and cash of the annuity reserve fund shall be held in a trust fund in the county treasury. The county treasurer, as one of his official duties, shall be a member ex officio of the annuity reserve fund board established to invest the assets of this fund.

Any funds raised for the support of the local district retirement system and not appropriated to any specific account shall be transferred to the annuity reserve fund. All payments from the district's annuity reserve fund shall be made in the same manner as payments from school district funds. The annuity reserve fund board may, at its discretion, request the district governing board to hold an election among existing annuity reserve fund participants as to whether the board should distribute existing funds in the annuity fund. The annuity reserve fund board may prescribe all rules and regulations regarding such an election and is authorized to distribute such funds if a majority of such members so elect.

SEC. 2. Section 24807.5 is added to the Education Code, to read:

24807.5. Any certificated employee of a district having an annuity reserve fund may enter into an amendment of his or her employment contract for the purpose of effecting a reduction in salary. Such reduction shall be deposited by the employer, at the employee's request, in the district's annuity reserve fund. Such deposits shall be used to provide the employee an annuity within the meaning of Section 403(b) of the Internal Revenue Code.

CHAPTER 545

An act to amend Section 1208 of the Penal Code, relating to work furlough.

[Approved by Governor September 2, 1977 Filed with Secretary of State September 3, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 1208 of the Penal Code is amended to read:

1208. (a) The provisions of this section, insofar as they relate to employment, shall be operative in any county in which the board of supervisors by ordinance finds, on the basis of employment conditions, the state of the county jail facilities, and other pertinent circumstances, that the operation of this section, insofar as it relates to employment, in that county is feasible. The provisions of this section, insofar as they relate to education, shall be operative in any county in which the board of supervisors by ordinance finds, on the basis of education conditions, the state of the county jail facilities, and other pertinent circumstances, that the operation of this section, insofar as it relates to education, in that county is feasible. In any such ordinance the board shall prescribe whether the sheriff, the probation officer, the director of the county department of corrections, or the superintendent of a county industrial farm or industrial road camp in the county shall perform the functions of the work furlough administrator. The board may, in such ordinance, provide for the performance of any or all functions of the work furlough administrator by any one or more of such persons, acting separately or jointly as to any of such functions; and may, by a subsequent ordinance, revise such provisions within the authorization of this section. The board of supervisors may also terminate the operativeness of this section, either with respect to employment or education in the county if it finds by ordinance that because of changed circumstances, the operation of this section, either with respect to employment or education in that county is no longer feasible.

Notwithstanding any other provision of law, the board of supervisors may by ordinance designate a facility for confinement of prisoners classified for the work furlough program and designate the work furlough administrator as the custodian of the facility. The work furlough administrator may, with the approval of the board of supervisors, enter into contracts with appropriate public or nonprofit private agencies to provide a facility and services for the housing, sustenance, counseling, supervision, and related services for such inmates as are eligible for work furlough. No agency entering into such a contract may itself employ any person who is in the work furlough program. The sheriff or director of the county department of corrections, as the case may be, is authorized to transfer custody

of such prisoners to the work furlough administrator to be confined in such facility for the period during which they are in the work furlough program.

(b) When a person is convicted of a misdemeanor and sentenced to the county jail, or is imprisoned therein for nonpayment of a fine, for contempt, or as a condition of probation for any criminal offense, or committed under the terms of Section 6404 or 6406 of the Welfare and Institutions Code as a habit-forming drug addict, the work furlough administrator may, if he concludes that such person is a fit subject therefor, direct that such person be permitted to continue in his regular employment, if that is compatible with the requirements of subdivision (d), or may authorize the person to secure employment for himself, unless the court at the time of sentencing or committing has ordered that such person not be granted work furloughs. The work furlough administrator may, if he concludes that such person is a fit subject therefor, direct that such person be permitted to continue in his regular educational program, if that is compatible with the requirements of subdivision (d), or may authorize the person to secure education for himself, unless the court at the time of sentencing has ordered that such person not be granted work furloughs.

(c) If the work furlough administrator so directs that the prisoner be permitted to continue in his regular employment or educational program, the administrator shall arrange for a continuation of such employment or education, so far as possible without interruption. If the prisoner does not have regular employment or a regular educational program, and the administrator has authorized the prisoner to secure employment or education for himself, the prisoner may do so, and the administrator may assist him in doing so. Any employment or education so secured must be suitable for the prisoner. Such employment or educational program, if such educational program includes earnings by the prisoner, must be at a wage at least as high as the prevailing wage for similar work in the area where the work is performed and in accordance with the prevailing working conditions in such area. In no event may any such employment or educational program involving earnings by the prisoner be permitted where there is a labor dispute in the establishment in which the prisoner is, or is to be, employed or educated

(d) Whenever the prisoner is not employed or being educated and between the hours or periods of employment or education, he shall be confined in the facility designated by the board of supervisors for work furlough confinement unless the work furlough administrator directs otherwise. If the prisoner is injured during a period of employment or education, the work furlough administrator shall have the authority to release him from the facility for continued medical treatment by private physicians or at medical facilities at the expense of the employer, worker's compensation insurer, or the prisoner. Such release shall not be construed as assumption of liability

by the county or work furlough administrator for medical treatment obtained.

The work furlough administrator may release any prisoner classified for the work furlough program for a period not to exceed 72 hours for medical, dental, or psychiatric care, or for family emergencies or pressing business which would result in severe hardship if the release were not granted, or to attend such activities as the administrator deems may effectively promote the prisoner's successful return to the community, including, but not limited to, an attempt to secure housing, employment, entry into educational programs, or participation in community programs.

(e) The earnings of the prisoner may be collected by the work furlough administrator, and it shall be the duty of the prisoner's employer to transmit such wages to the administrator at the latter's request. Earnings levied upon pursuant to writ of execution or in other lawful manner shall not be transmitted to the administrator. If the administrator has requested transmittal of earnings prior to levy, such request shall have priority. In a case in which the functions of the administrator are performed by a sheriff, and such sheriff receives a writ of execution for the earnings of a prisoner subject to this section but has not yet requested transmittal of the prisoner's earnings pursuant to this section, he shall first levy on the earnings pursuant to the writ. When an employer or educator transmits such earnings to the administrator pursuant to this subdivision he shall have no liability to the prisoner for such earnings. From such earnings the administrator shall pay the prisoner's board and personal expenses, both inside and outside the jail, and shall deduct so much of the costs of administration of this section as is allocable to such prisoner, and, in an amount determined by the administrator, shall pay the support of the prisoner's dependents, if any. If sufficient funds are available after making the foregoing payments, the administrator may, with the consent of the prisoner, pay, in whole or in part, the preexisting debts of the prisoner. Any balance shall be retained until the prisoner's discharge and thereupon shall be paid to him.

(f) The prisoner shall be eligible for time credits pursuant to Sections 4018, 4019, and 4019.2.

(g) In the event the prisoner violates the conditions laid down for his conduct, custody, education, or employment, the work furlough administrator may order the balance of the prisoner's sentence to be spent in actual confinement.

(h) Willful failure of the prisoner to return to the place of confinement not later than the expiration of any period during which he is authorized to be away from the place of confinement pursuant to this section is punishable as provided in Section 4532.

(i) As used in this section, "education" includes vocational and educational training and counseling; and psychological, drug abuse, alcoholic and other rehabilitative counseling; "educator" includes a person or institution providing such training or counseling; and

"employment" includes care of children, including the daytime care of children of the prisoner.

(j) This section shall be known and may be cited as the "Cobey Work Furlough Law."

SEC. 2. Section 1208 of the Penal Code is amended to read:

1208. (a) The provisions of this section, insofar as they relate to employment, shall be operative in any county in which the board of supervisors by ordinance finds, on the basis of employment conditions, the state of the county jail facilities, and other pertinent circumstances, that the operation of this section, insofar as it relates to employment, in that county is feasible. The provisions of this section, insofar as they relate to education, shall be operative in any county in which the board of supervisors by ordinance finds, on the basis of education conditions, the state of the county jail facilities, and other pertinent circumstances, that the operation of this section, insofar as it relates to education, in that county is feasible. In any such ordinance the board shall prescribe whether the sheriff, the probation officer, the director of the county department of corrections, or the superintendent of a county industrial farm or industrial road camp in the county shall perform the functions of the work furlough administrator. The board may, in such ordinance, provide for the performance of any or all functions of the work furlough administrator by any one or more of such persons, acting separately or jointly as to any of such functions; and may, by a subsequent ordinance, revise such provisions within the authorization of this section. The board of supervisors may also terminate the operativeness of this section, either with respect to employment or education in the county if it finds by ordinance that because of changed circumstances, the operation of this section, either with respect to employment or education in that county is no longer feasible.

Notwithstanding any other provision of law, the board of supervisors may by ordinance designate a facility for confinement of prisoners eligible for the work furlough program and designate the work furlough administrator as the custodian of the facility. The work furlough administrator may, with the approval of the board of supervisors, enter into contracts with appropriate public or nonprofit private agencies to provide a facility and services for the housing, sustenance, counseling, supervision, and related services for such inmates as are eligible for work furlough. No agency entering into such a contract may itself employ any person who is in the work furlough program. The sheriff or director of the county department of corrections, as the case may be, is authorized to transfer custody of such prisoners to the work furlough administrator to be confined in such facility for the period during which they are in the work furlough program.

(b) When a person is convicted of a misdemeanor and sentenced to the county jail, or is imprisoned therein for nonpayment of a fine, for contempt, or as a condition of probation for any criminal offense,

or committed under the terms of Section 6404 or 6406 of the Welfare and Institutions Code as a habit-forming drug addict, the work furlough administrator may, if he concludes that such person is a fit subject therefor, direct that such person be permitted to continue in his regular employment, if that is compatible with the requirements of subdivision (d), or may authorize the person to secure employment for himself, unless the court at the time of sentencing or committing has ordered that such person not be granted work furloughs. The work furlough administrator may, if he concludes that such person is a fit subject therefor, direct that such person be permitted to continue in his regular educational program, if that is compatible with the requirements of subdivision (d), or may authorize the person to secure education for himself, unless the court at the time of sentencing has ordered that such person not be granted work furloughs.

(c) If the work furlough administrator so directs that the prisoner be permitted to continue in his regular employment or educational program, the administrator shall arrange for a continuation of such employment or education, so far as possible without interruption. If the prisoner does not have regular employment or a regular educational program, and the administrator has authorized the prisoner to secure employment or education for himself, the prisoner may do so, and the administrator may assist him in doing so. Any employment or education so secured must be suitable for the prisoner. Such employment or educational program, if such educational program includes earnings by the prisoner, must be at a wage at least as high as the prevailing wage for similar work in the area where the work is performed and in accordance with the prevailing working conditions in such area. In no event may any such employment or educational program involving earnings by the prisoner be permitted where there is a labor dispute in the establishment in which the prisoner is, or is to be, employed or educated.

(d) Whenever the prisoner is not employed or being educated and between the hours or periods of employment or education, he shall be confined in the facility designated by the board of supervisors for work furlough confinement unless the work furlough administrator directs otherwise. If the prisioner is injured during a period of employment or education, the work furlough administrator shall have the authority to release him from the facility for continued medical treatment by private physicians or at medical facilities at the expense of the employer, worker's compensation insurer, or the prisoner. Such release shall not be construed as assumption of liability by the county or work furlough administrator for medical treatment obtained.

The work furlough administrator may release any prisoner eligible for the work furlough program for a period not to exceed 72 hours for medical, dental, or psychiatric care, or for family emergencies or pressing business which would result in severe hardship if the release

were not granted, or to attend such activities as the administrator deems may effectively promote the prisoner's successful return to the community, including, but not limited to, an attempt to secure housing, employment, entry into educational programs, or participation in community programs.

(e) The earnings of the prisoner may be collected by the work furlough administrator, and it shall be the duty of the prisoner's employer to transmit such wages to the administrator at the latter's request. Earnings levied upon pursuant to writ of execution or in other lawful manner shall not be transmitted to the administrator. If the administrator has requested transmittal of earnings prior to levy, such request shall have priority. In a case in which the functions of the administrator are performed by a sheriff, and such sheriff receives a writ of execution for the earnings of a prisoner subject to this section but has not yet requested transmittal of the prisoner's earnings pursuant to this section, he shall first levy on the earnings pursuant to the writ. When an employer or educator transmits such earnings to the administrator pursuant to this subdivision he shall have no liability to the prisoner for such earnings. From such earnings the administrator shall pay the prisoner's board and personal expenses, both inside and outside the jail, and shall deduct so much of the costs of administration of this section as is allocable to such prisoner, and, in an amount determined by the administrator, shall pay the support of the prisoner's dependents, if any. If sufficient funds are available after making the foregoing payments, the administrator may, with the consent of the prisoner, pay, in whole or in part, the preexisting debts of the prisoner. Any balance shall be retained until the prisoner's discharge and thereupon shall be paid to him.

(f) The prisoner shall be eligible for time credits pursuant to Sections 4018, 4019, and 4019.2.

(g) In the event the prisoner violates the conditions laid down for his conduct, custody, education, or employment, the work furlough administrator may order the balance of the prisoner's sentence to be spent in actual confinement.

(h) Willful failure of the prisoner to return to the place of confinement not later than the expiration of any period during which he is authorized to be away from the place of confinement pursuant to this section is punishable as provided in Section 4532.

(i) As used in this section, "education" includes vocational and educational training and counseling; and psychological, drug abuse, alcoholic and other rehabilitative counseling; "educator" includes a person or institution providing such training or counseling; and "employment" includes care of children, including the daytime care of children of the prisoner.

(j) This section shall be known and may be cited as the "Cobey Work Furlough Law."

SEC. 3. Section 1208 of the Penal Code is amended to read:

1208. (a) The provisions of this section, insofar as they relate to

employment, shall be operative in any county in which the board of supervisors by ordinance finds, on the basis of employment conditions, the state of the county jail facilities, and other pertinent circumstances, that the operation of this section, insofar as it relates to employment, in that county is feasible. The provisions of this section, insofar as they relate to education, shall be operative in any county in which the board of supervisors by ordinance finds, on the basis of education conditions, the state of the county jail facilities, and other pertinent circumstances, that the operation of this section, insofar as it relates to education, in that county is feasible. In any such ordinance the board shall prescribe whether the sheriff, the probation officer, the director of the county department of corrections, or the superintendent of a county industrial farm or industrial road camp in the county shall perform the functions of the work furlough administrator. The board may, in such ordinance, provide for the performance of any or all functions of the work furlough administrator by any one or more of such persons, acting separately or jointly as to any of such functions; and may, by a subsequent ordinance, revise such provisions within the authorization of this section. The board of supervisors may also terminate the operativeness of this section, either with respect to employment or education in the county if it finds by ordinance that because of changed circumstances, the operation of this section, either with respect to employment or education in that county is no longer feasible.

Notwithstanding any other provision of law, the board of supervisors may by ordinance designate a facility for confinement of prisoners classified for the work furlough program and designate the work furlough administrator as the custodian of the facility. The work furlough administrator may, with the approval of the board of supervisors, enter into contracts with appropriate public or nonprofit private agencies to provide a facility and services for the housing, sustenance, counseling, supervision, and related services for such inmates as are eligible for work furlough. No agency entering into such a contract may itself employ any person who is in the work furlough program. The sheriff or director of the county department of corrections, as the case may be, is authorized to transfer custody of such prisoners to the work furlough administrator to be confined in such facility for the period during which they are in the work furlough program.

(b) When a person is convicted of a misdemeanor and sentenced to the county jail, or is imprisoned therein for nonpayment of a fine, for contempt, or as a condition of probation for any criminal offense, or committed under the terms of Section 6404 or 6406 of the Welfare and Institutions Code as a habit-forming drug addict, the work furlough administrator may, if he concludes that such person is a fit subject therefor, direct that such person be permitted to continue in his regular employment, if that is compatible with the requirements of subdivision (d), or may authorize the person to secure

employment for himself, unless the court at the time of sentencing or committing has ordered that such person not be granted work furloughs. The work furlough administrator may, if he concludes that such person is a fit subject therefor, direct that such person be permitted to continue in his regular educational program, if that is compatible with the requirements of subdivision (d), or may authorize the person to secure education for himself, unless the court at the time of sentencing has ordered that such person not be granted work furloughs.

(c) If the work furlough administrator so directs that the prisoner be permitted to continue in his regular employment or educational program, the administrator shall arrange for a continuation of such employment or education, so far as possible without interruption. If the prisoner does not have regular employment or a regular educational program, and the administrator has authorized the prisoner to secure employment or education for himself, the prisoner may do so, and the administrator may assist him in doing so. Any employment or education so secured must be suitable for the prisoner. Such employment or educational program, if such educational program includes earnings by the prisoner, must be at a wage at least as high as the prevailing wage for similar work in the area where the work is performed and in accordance with the prevailing working conditions in such area. In no event may any such employment or educational program involving earnings by the prisoner be permitted where there is a labor dispute in the establishment in which the prisoner is, or is to be, employed or educated.

(d) Whenever the prisoner is not employed or being educated and between the hours or periods of employment or education, he shall be confined in the facility designated by the board of supervisors for work furlough confinement unless the work furlough administrator directs otherwise. If the prisoner is injured during a period of employment or education, the work furlough administrator shall have the authority to release him from the facility for continued medical treatment by private physicians or at medical facilities at the expense of the employer, workers' compensation insurer, or the prisoner. Such release shall not be construed as assumption of liability by the county or work furlough administrator for medical treatment obtained.

The work furlough administrator may release any prisoner classified for the work furlough program for a period not to exceed 72 hours for medical, dental, or psychiatric care, or for family emergencies or pressing business which would result in severe hardship if the release were not granted, or to attend such activities as the administrator deems may effectively promote the prisoner's successful return to the community, including, but not limited to, an attempt to secure housing, employment, entry into educational programs, or participation in community programs.

(e) The earnings of the prisoner may be collected by the work

furlough administrator, and t shall be the duty of the prisoner's employer to transmit such wages to the administrator at the latter's request. Earnings levied upon pursuant to writ of execution or in other lawful manner shall not be transmitted to the administrator. If the administrator has requested transmittal of earnings prior to levy, such request shall have priority. In a case in which the functions of the administrator are performed by a sheriff, and such sheriff receives a writ of execution for the earnings of a prisoner subject to this section but has not yet requested transmittal of the prisoner's earnings pursuant to this section, he shall first levy on the earnings pursuant to the writ. When an employer or educator transmits such earnings to the administrator pursuant to this subdivision he shall have no liability to the prisoner for such earnings. From such earnings the administrator shall pay the prisoner's board and personal expenses, both inside and outside the jail, and shall deduct so much of the costs of administration of this section as is allocable to such prisoner, and, in an amount determined by the administrator, shall pay the support of the prisoner's dependents, if any. If sufficient funds are available after making the foregoing payments, the administrator may, with the consent of the prisoner, pay, in whole or in part, the preexisting debts of the prisoner. Any balance shall be retained until the prisoner's discharge and thereupon shall be paid to him.

(f) The prisoner shall be eligible for time credits pursuant to Sections 4018, 4019, and 4019.2.

(g) In the event the prisoner violates the conditions laid down for his conduct, custody, education, or employment, the work furlough administrator may order the balance of the prisoner's sentence to be spent in actual confinement.

(h) Willful failure of the prisoner to return to the place of confinement not later than the expiration of any period during which he is authorized to be away from the place of confinement pursuant to this section is punishable as provided in Section 4530.

(i) As used in this section, "education" includes vocational and educational training and counseling; and psychological, drug abuse, alcoholic and other rehabilitative counseling; "educator" includes a person or institution providing such training or counseling; and "employment" includes care of children, including the daytime care of children of the prisoner.

(j) This section shall be known and may be cited as the "Cobey Work Furlough Law."

SEC. 4. Section 1208 of the Penal Code is amended to read:

1208. (a) The provisions of this section, insofar as they relate to employment, shall be operative in any county in which the board of supervisors by ordinance finds, on the basis of employment conditions, the state of the county jail facilities, and other pertinent circumstances, that the operation of this section, insofar as it relates to employment, in that county is feasible. The provisions of this section, insofar as they relate to education, shall be operative in any

county in which the board of supervisors by ordinance finds, on the basis of education conditions, the state of the county jail facilities, and other pertinent circumstances, that the operation of this section, insofar as it relates to education, in that county is feasible. In any such ordinance the board shall prescribe whether the sheriff, the probation officer, the director of the county department of corrections, or the superintendent of a county industrial farm or industrial road camp in the county shall perform the functions of the work furlough administrator. The board may, in such ordinance, provide for the performance of any or all functions of the work furlough administrator by any one or more of such persons, acting separately or jointly as to any of such functions; and may, by a subsequent ordinance, revise such provisions within the authorization of this section. The board of supervisors may also terminate the operativeness of this section, either with respect to employment or education in the county if it finds by ordinance that because of changed circumstances, the operation of this section, either with respect to employment or education in that county is no longer feasible.

Notwithstanding any other provision of law, the board of supervisors may by ordinance designate a facility for confinement of prisoners eligible for the work furlough program and designate the work furlough administrator as the custodian of the facility. The work furlough administrator may, with the approval of the board of supervisors, enter into contracts with appropriate public or nonprofit private agencies to provide a facility and services for the housing, sustenance, counseling, supervision, and related services for such inmates as are eligible for work furlough. No agency entering into such a contract may itself employ any person who is in the work furlough program. The sheriff or director of the county department of corrections, as the case may be, is authorized to transfer custody of such prisoners to the work furlough administrator to be confined in such facility for the period during which they are in the work furlough program.

(b) When a person is convicted of a misdemeanor and sentenced to the county jail, or is imprisoned therein for nonpayment of a fine, for contempt, or as a condition of probation for any criminal offense, or committed under the terms of Section 6404 or 6406 of the Welfare and Institutions Code as a habit-forming drug addict, the work furlough administrator may, if he concludes that such person is a fit subject therefor, direct that such person be permitted to continue in his regular employment, if that is compatible with the requirements of subdivision (d), or may authorize the person to secure employment for himself, unless the court at the time of sentencing or committing has ordered that such person not be granted work furloughs. The work furlough administrator may, if he concludes that such person is a fit subject therefor, direct that such person be permitted to continue in his regular educational program, if that is compatible with the requirements of subdivision (d), or may

authorize the person to secure education for himself, unless the court at the time of sentencing has ordered that such person not be granted work furloughs.

(c) If the work furlough administrator so directs that the prisoner be permitted to continue in his regular employment or educational program, the administrator shall arrange for a continuation of such employment or education, so far as possible without interruption. If the prisoner does not have regular employment or a regular educational program, and the administrator has authorized the prisoner to secure employment or education for himself, the prisoner may do so, and the administrator may assist him in doing so. Any employment or education so secured must be suitable for the prisoner. Such employment or educational program, if such educational program includes earnings by the prisoner, must be at a wage at least as high as the prevailing wage for similar work in the area where the work is performed and in accordance with the prevailing working conditions in such area. In no event may any such employment or educational program involving earnings by the prisoner be permitted where there is a labor dispute in the establishment in which the prisoner is, or is to be, employed or educated.

(d) Whenever the prisoner is not employed or being educated and between the hours or periods of employment or education, he shall be confined in the facility designated by the board of supervisors for work furlough confinement unless the work furlough administrator directs otherwise. If the prisoner is injured during a period of employment or education, the work furlough administrator shall have the authority to release him from the facility for continued medical treatment by private physicians or at medical facilities at the expense of the employer, workers' compensation insurer, or the prisoner. Such release shall not be construed as assumption of liability by the county or work furlough administrator for medical treatment obtained.

The work furlough administrator may release any prisoner eligible for the work furlough program for a period not to exceed 72 hours for medical, dental, or psychiatric care, or for family emergencies or pressing business which would result in severe hardship if the release were not granted, or to attend such activities as the administrator deems may effectively promote the prisoner's successful return to the community, including, but not limited to, an attempt to secure housing, employment, entry into educational programs, or participation in community programs.

(e) The earnings of the prisoner may be collected by the work furlough administrator, and it shall be the duty of the prisoner's employer to transmit such wages to the administrator at the latter's request. Earnings levied upon pursuant to writ of execution or in other lawful manner shall not be transmitted to the administrator. If the administrator has requested transmittal of earnings prior to levy, such request shall have priority. In a case in which the functions of

the administrator are performed by a sheriff, and such sheriff receives a writ of execution for the earnings of a prisoner subject to this section but has not yet requested transmittal of the prisoner's earnings pursuant to this section, he shall first levy on the earnings pursuant to the writ. When an employer or educator transmits such earnings to the administrator pursuant to this subdivision he shall have no liability to the prisoner for such earnings. From such earnings the administrator shall pay the prisoner's board and personal expenses, both inside and outside the jail, and shall deduct so much of the costs of administration of this section as is allocable to such prisoner, and, in an amount determined by the administrator, shall pay the support of the prisoner's dependents, if any. If sufficient funds are available after making the foregoing payments, the administrator may, with the consent of the prisoner, pay, in whole or in part, the preexisting debts of the prisoner. Any balance shall be retained until the prisoner's discharge and thereupon shall be paid to him.

(f) The prisoner shall be eligible for time credits pursuant to Sections 4018, 4019, and 4019.2.

(g) In the event the prisoner violates the conditions laid down for his conduct, custody, education, or employment, the work furlough administrator may order the balance of the prisoner's sentence to be spent in actual confinement.

(h) Willful failure of the prisoner to return to the place of confinement not later than the expiration of any period during which he is authorized to be away from the place of confinement pursuant to this section is punishable as provided in Section 4530.

(i) As used in this section, "education" includes vocational and educational training and counseling; and psychological, drug abuse, alcoholic and other rehabilitative counseling; "educator" includes a person or institution providing such training or counseling; and "employment" includes care of children, including the daytime care of children of the prisoner.

(j) This section shall be known and may be cited as the "Cobey Work Furlough Law."

SEC. 5. It is the intent of the Legislature that if this bill and Assembly Bill No. 1052 or Senate Bill No. 502, or both, are chaptered and become effective January 1, 1978, each of the bills amend Section 1208 of the Penal Code, and this bill is chaptered last, that amendments proposed by each of the bills which are chaptered be given effect as follows:

(1) If this bill and Assembly Bill No. 1052 are both chaptered and become effective January 1, 1978, both bills amend Section 1208 of the Penal Code, but Senate Bill No. 502 is not chaptered or as chaptered does not amend that section, and this bill is chaptered after Assembly Bill No. 1052, the amendments proposed by both bills shall be given effect and incorporated in Section 1208 in the form set forth in Section 2 of this act. Therefore, if this bill and Assembly Bill No. 1052 are both chaptered and become effective January 1, 1978,

both bills amend Section 1208, this bill is chaptered after Assembly Bill No. 1052, and Senate Bill No. 502 is not chaptered or as chaptered does not amend that section, Section 2 of this act shall be operative and Sections 1, 3, and 4 of this act shall not become operative.

(2) If this bill and Senate Bill No. 502 are both chaptered and become effective January 1, 1978, both bills amend Section 1208 of the Penal Code, but Assembly Bill No. 1052 is not chaptered or as chaptered does not amend that section, and this bill is chaptered after Senate Bill No. 502, the amendments proposed by both bills shall be given effect and incorporated in Section 1208 in the form set forth in Section 3 of this act. Therefore, if this bill and Senate Bill No. 502 are both chaptered and become effective January 1, 1978, both bills amend Section 1208, this bill is chaptered after Senate Bill No. 502, and Assembly Bill No. 1052 is not chaptered or as chaptered does not amend that section, Section 3 shall be operative and Sections 1, 2, and 4 of this act shall not become operative.

(3) If this bill and Assembly Bill No. 1052 and Senate Bill No. 502 are all chaptered and become effective January 1, 1978, all three bills amend Section 1208 of the Penal Code, and this bill is chaptered after Assembly Bill No. 1052 and Senate Bill No. 502, the amendments proposed by all three bills shall be given effect and incorporated in Section 1208 in the form set forth in Section 4 of this act. Therefore, if this bill and Assembly Bill No. 1052 and Senate Bill No. 502 are all chaptered and become effective January 1, 1978, all three bills amend Section 1208 of the Penal Code, and this bill is chaptered after Assembly Bill No. 1052 and Senate Bill No. 502, Section 4 of this act shall be operative and Sections 1, 2, and 3 of this act shall not become operative.

CHAPTER 546

An act to amend Section 10101 of the Business and Professions Code, relating to real estate licensees.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 10101 of the Business and Professions Code is amended to read:

10101. The accusation provided for by Section 11503 of the Government Code shall be filed not later than three years from the occurrence of the alleged grounds for disciplinary action unless the acts or omissions with which the licensee is charged involves fraud, misrepresentation or a false promise in which case the accusation shall be filed within one year after the date of discovery by the aggrieved party of the fraud, misrepresentation or false promise or

within three years after the occurrence thereof, whichever is later, except that in no case shall an accusation be filed later than 10 years from the occurrence of the alleged grounds for disciplinary action.

CHAPTER 547

An act to amend Section 3247 of the Civil Code, to amend Section 14311 of, and to add Section 14310.4 to, the Government Code, and to amend Sections 114 and 116 of, the Streets and Highways Code, relating to public works.

[Approved by Governor September 2, 1977 Filed with Secretary of State September 3, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 3247 of the Civil Code is amended to read:

3247. (a) Every original contractor to whom is awarded a contract by a public entity involving an expenditure in excess of fifteen thousand dollars ($15,000) for any public work shall, before entering upon the performance of the work, file a payment bond with and approved by the officer or public entity by whom the contract was awarded.

A public entity shall state in its call for bids for any such contract that such bond is required in the case of such an expenditure.

(b) A payment bond filed and approved in accordance with this section shall be sufficient to enter upon the performance of work under a duly authorized contract which supplements the contract for which such payment bond was filed, if the requirement of a new bond is waived by the public entity.

SEC. 2. Section 14310.4 is added to the Government Code, to read:

14310.4. The department may also require from prospective bidders the completion, under penalty of perjury, of a standard form of questionnaire concerning the past safety record of each prospective bidder, any officer of such bidder, and any managing employee of such bidder. The department may refuse to prequalify any prospective bidder who fails to submit a completed questionnaire when required, or for the reason that the information contained in the submitted questionnaire or otherwise known to the department indicates a continuing unsatisfactory safety record.

The director of the department shall prescribe guidelines listing criteria which will be utilized administratively in determining an unsatisfactory safety record. A refusal by the department to prequalify a prospective bidder shall be issued only after the department has granted such bidder a hearing.

This section shall in no way abridge or restrict the right of the department to later determine whether the low bidder on a

particular project is the lowest responsible bidder for purposes of award of the contract, including the holding of hearings thereon.

The Director of Industrial Relations shall approve the standard form of questionnaire and the guidelines listing criteria which will be utilized administratively by the department in determining an unsatisfactory safety record prior to their use by the department.

SEC. 3. Section 14311 of the Government Code is amended to read:

14311. The department shall adopt and apply a uniform system of rating bidders, on the basis of the standard questionnaires and financial statements, in respect to the size of the contracts upon which each bidder is qualified to bid. When bids for more than one project are to be received at the same bid opening, the department may permit a bidder to submit bids for each project within such bidder's prequalification rating, even though such rating is insufficient to permit the bidder to be awarded the contract for each project bid upon.

In no event shall any bidder be awarded a contract if such contract award would result in the bidder having under contract work for which prequalification is required in excess of that authorized by his prequalification rating. In determining whether an award of a contract would result in a bidder having under contract work in excess of that authorized by his prequalification rating, the department may use its estimated cost of such contract rather than the amount of the bidder's bid. If the department determines that a bidder would be awarded the contract for two or more projects but cannot be awarded the contract for all such projects because of the inadequacy of his prequalification rating, the department shall determine which of the bids of such bidder are to be accepted and the contract awarded thereon and which of the bids of such bidder are to be disregarded. In making its decision the department shall be guided by the combination of contract awards which will result in the lowest total cost for the projects involved.

SEC. 4. Section 114 of the Streets and Highways Code is amended to read:

114. When the commission has allocated any funds for the construction, improvement or maintenance of any portion of a state highway within a city or a county, the department may enter into a cooperative agreement with such city or county for the performance of any such work by the department or by such city or county, or for the apportionment of the expense of such work between the department and such city or county.

SEC. 5. Section 116 of the Streets and Highways Code is amended to read:

116. The department may delegate to any such city or county any part of the powers and jurisdiction vested by law in the department, except the power of approval, with respect to any portion of any such state highway within such city or county, and may withdraw such delegation.

SEC. 6. The Department of Transportation shall undertake a three-year program of rating prospective bidders on the basis of their safety records. Such program shall conform to the provisions of Section 14310.4 of the Government Code and shall commence January 1, 1978. The department shall submit an interim report to the Legislature on or before July 1, 1979, and a final report on or before January 1, 1981. Each report shall include statistics as to classification of projects for which questionnaires were solicited, number of questionnaires received, criteria used for rating prospective bidders, number of hearings held, and the number of bidders prohibited from bidding department contracts or refused award after bids were received. These reports shall also compare overall safety performance on department contracts prior to the start of this program with safety performance during the reporting period.

CHAPTER 548

An act to amend Section 25100.5 of the Government Code, relating to county clerks.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 25100.5 of the Government Code is amended to read:

25100.5. In any county having a population over 2,000,000, the clerk of the board of supervisors shall be appointed by the board of supervisors in the same manner as other county officers are appointed. In any county having a population over 50,000 and under 55,000 or having a population over 290,000 and under 325,000 or having a population over 400,000 and under 450,000 or having a population over 557,000 and under 625,000, over 650,000 and under 1,350,000, or over 1,360,000 and under 4,000,000, as designated by Section 28020, as amended in 1971, the clerk of the board of supervisors may be appointed by the board of supervisors in the same manner as other county officers are appointed. In such counties, the county clerk is not ex officio clerk of the board of supervisors.

The clerk of the board of supervisors shall perform those duties prescribed by law for the county clerk as ex officio clerk of the board of supervisors or for the clerk of the board of supervisors and such additional duties as the board of supervisors shall prescribe by ordinance. He may perform all the duties vested in the county clerk other than those vested in the county clerk as ex officio clerk of the superior court or registrar of voters and may take acknowledgments and administer and certify oaths in the performance of his official duties.

CHAPTER 549

An act to add Section 52331 to the Education Code, relating to regional occupational center bookstores.

[Approved by Governor September 2, 1977 Filed with Secretary of State September 3, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 52331 is added to the Education Code, to read:

52331. The governing board of any district maintaining a regional occupational center may establish a bookstore on district property for the purpose of offering for sale textbooks, workbooks, supplementary textbooks and workbooks, school supplies, stationery supplies, confectionary items, and related auxiliary school supplies and services.

The governing board may establish a bookstore fund into which the proceeds derived from the operation of a regional occupational center bookstore may be transferred. Moneys in a bookstore fund shall be deposited or invested in one or more of the following ways:

(a) Deposits in a bank or banks whose accounts are insured by the Federal Deposit Insurance Corporation.

(b) Investment certificates or withdrawable shares in state-chartered savings and loan associations and savings accounts of federal savings and loan associations provided such associations are doing business in this state and have their accounts insured by the Federal Savings and Loan Insurance Corporation.

(c) Purchase of United States securities pursuant to subdivision (a) of Section 16430 of the Government Code.

The governing board shall designate an employee or official of the district to act as trustee for funds derived from the operation of a regional occupational center bookstore and to receive such funds in accordance with procedures established by the board.

All necessary expenses, including salaries, wages and costs of capital improvements may be deducted from the revenue of a regional occupational center bookstore. Net proceeds from the operation of a regional occupational center bookstore shall be used for the general benefit of the student body as determined by the governing board. Income from a regional occupational center bookstore shall not be included in the district revenue limit. Funds derived from the operation of a regional occupational center bookstore shall be subject to audit pursuant to Section 41020.

CHAPTER 550

An act to amend Section 18289 of the Welfare and Institutions Code, and to amend Section 2 of Chapter 435 of the Statutes of 1976, relating to child abuse and neglect, and making an appropriation therefor.

[Approved by Governor September 2, 1977 Filed with Secretary of State September 3, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 18289 of the Welfare and Institutions Code is amended to read:

18289. The centers may seek, receive, and make use of any funds which may be made available from federal, voluntary, philanthropic, or other sources in order to augment any state funds appropriated for the purposes of this chapter and shall make every attempt to qualify the centers for federal funding under Public Law 93-247.

Each center shall prepare a report at the end of its second year of funding describing the operation and achievement of the center's objectives. The report shall be submitted to the director.

The Director of Health shall submit a report to the Legislature on or before January 1, 1980.

SEC. 2. Section 2 of Chapter 435 of the Statutes of 1976 is amended to read:

Sec. 2. This act shall become operative on July 1, 1976, and shall remain in effect only until July 1, 1980, and as of such date is repealed, unless a later enacted statute, which is chaptered before July 1, 1980, deletes or extends such date.

CHAPTER 551

An act to add Section 68549 to the Government Code, relating to judges.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 68549 is added to the Government Code, to read:

68549. A judge who has been defeated in an election for his office and who, before his term of office expires, elects to leave his accumulated contributions in the fund pursuant to Section 75033, or to receive benefits pursuant to Section 75033.5, shall not be deemed a retired judge within the meaning of Section 6 of Article VI of the California Constitution.

CHAPTER 552

An act to amend Sections 23151.1, 23181, 23183, 23186, 23201, 23202, 23204, 23224.5, 23225, 23226, 23281, 23282, 23332.5, 23364a, 23400, and 25401 of, and to add Sections 23151.2, 23155, 23183.1, 23183.2, and 23188 to, the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 23151.1 of the Revenue and Taxation Code is amended to read:

23151.1. Notwithstanding Section 23151, every corporation (except financial corporations) doing business within the limits of this state and not exempted from taxation by the provisions of the Constitution of this state or by this part, shall annually pay to the state for the privilege of exercising its corporate franchises within this state, a tax determined as follows:

(a) With respect to corporations, other than those described in subdivision (b), which commence doing business within the state after December 31, 1971, the tax for the taxable year of commencement, whether or not for 12 full months, shall be the minimum franchise tax prescribed in Section 23153.

(b) If after December 31, 1972, a corporation commences to do business and ceases doing business in the same taxable year, the tax for such taxable year shall be according to or measured by its net income for such year, to be computed at the rate prescribed in Section 23151.

(c) With respect to taxable years beginning after December 31, 1972, other than the year of commencement described in subdivision (a) or (b) or the year of cessation described in subdivision (d), the tax for such taxable year shall be according to or measured by its net income for the next preceding income year, to be computed at the rate prescribed in Section 23151.

(d) With respect to corporations which cease doing business in a taxable year beginning after December 31, 1972, other than those described in subdivision (b), the tax for the taxable year of cessation shall be:

(1) According to or measured by its net income for the next preceding income year, to be computed at the rate prescribed in Section 23151, plus

(2) According to or measured by its net income for the income year during which the corporation ceased doing business, to be computed at the rate prescribed in Section 23151.

(e) In any event, the tax for any taxable year shall not be less than the minimum tax provided for in Section 23153 for such taxable year.

SEC. 2. Section 23151.2 is added to the Revenue and Taxation Code, to read:

23151.2. Notwithstanding Section 23151, every corporation (except financial corporations) not exempted from taxation by the provisions of the Constitution of this state or by this part which dissolves or withdraws, shall pay a tax for its taxable year of dissolution or withdrawal according to or measured by its net income for the income year in which it ceased doing business, unless such income has previously been included in the measure of tax for any taxable year, to be computed at the rate prescribed in Section 23151 for its taxable year of dissolution or withdrawal. In any event, the tax for the taxable year of its dissolution or withdrawal shall not be less than the minimum tax provided for in Section 23153 for such taxable year.

SEC. 3. Section 23155 is added to the Revenue and Taxation Code, to read:

23155. In the event that taxes, interest and penalties have been or shall be assessed against, paid by or collected from a taxpayer under a subdivision of Section 23151.1, which assessment, payment or collection should have been made under a different subdivision, such taxes, interest and penalties shall be considered as having been assessed, paid or collected under such different subdivision as of the date or dates they were made.

SEC. 4. Section 23181 of the Revenue and Taxation Code is amended to read:

23181. (a) Except as otherwise provided herein, an annual tax is hereby imposed upon every bank located within the limits of this state according to or measured by its net income, upon the basis of its net income for the next preceding income year at the rate provided under Section 23186. With respect to the taxation of national banking associations, the state adopts the method numbered (4) authorized by the act of March 25, 1926, amending Section 5219 of the Revised Statutes of the United States, Title 12, Section 548, United States Code.

(b) If a bank commences to do business and ceases doing business in the same taxable year, the tax for such taxable year shall be according to or measured by its net income for such year, at the rate provided under Section 23186.

(c) With respect to a bank, other than a bank described in subdivision (b), whichceases doing business after December 31, 1972, the tax for the taxable year of cessation shall be:

(1) According to or measured by its net income for the next preceding income year, to be computed at the rate prescribed in Section 23186, plus

(2) According to or measured by its net income for the income year during which the bank ceased doing business, to be computed at the rate prescribed in Section 23186.

(d) In the case of a bank which ceased doing business before January 1, 1973, but dissolves or withdraws on such date or thereafter,

the tax for the taxable year of dissolution or withdrawal shall be according to or measured by its net income for the income year during which the bank ceased doing business, unless such income has previously been included in the measure of tax for any taxable year, to be computed at the rate prescribed under Section 23186 for the taxable year of dissolution or withdrawal.

SEC. 5. Section 23183 of the Revenue and Taxation Code is amended to read:

23183. An annual tax is hereby imposed upon every financial corporation doing business within the limits of this state and taxable under the provisions of Section 27 of Article XIII of the Constitution of this state, for the privilege of exercising its corporate franchises within this state, according to or measured by its net income, upon the basis of its net income for the next preceding income year at the rate provided under Section 23186.

SEC. 6. Section 23183.1 is added to the Revenue and Taxation Code, to read:

23183.1. Notwithstanding Section 23183, every financial corporation doing business within the limits of this state and not exempted from taxation by the Constitution of this state or by this part, shall annually pay to the state for the privilege of exercising its corporate franchises within this state, a tax determined as follows:

(a) With respect to financial corporations, other than those described in subdivision (b), which commence doing business within the state after December 31, 1971, the tax for the taxable year of commencement, whether or not for 12 full months, shall be the minimum tax prescribed in Section 23184.

(b) If after December 31, 1972, a financial corporation commences to do business and ceases doing business in the same taxable year, the tax for such taxable year shall be according to or measured by its net income for such year, at the rate provided under Section 23186.

(c) With respect to taxable years beginning after December 31, 1972, other than the year of commencement described in subdivisions (a) and (b) or the year of cessation described in subdivision (d), a tax according to or measured by its net income, to be computed at the rate prescribed in Section 23186 upon the basis of its net income for the next preceding income year.

(d) With respect to financial corporations, which cease doing business in a taxable year ending after December 31, 1972, other than those described in subdivision (b), the tax for the taxable year of cessation shall be:

(1) According to or measured by its net income for the next preceding income year to be computed at the rate prescribed in Section 23186, plus

(2) According to or measured by its net income for the income year during which the financial corporation ceased doing business, to be computed at the rate prescribed in Section 23186.

(e) In any event, the tax for any taxable year shall not be less than

the minimum tax provided for in Section 23184 for such taxable year.

SEC. 7. Section 23183.2 is added to the Revenue and Taxation Code, to read:

23183.2. Notwithstanding Section 23183, every financial corporation not exempted from taxation by the provisions of the Constitution of this state or by this part which dissolves or withdraws, shall pay a tax for its taxable year of dissolution or withdrawal according to or measured by its net income for the income year in which it ceased doing business, to be computed at the rate prescribed in Section 23186 for its taxable year of dissolution or withdrawal, unless such income has previously been included in the measure of tax for any taxable year. In any event, the tax for the taxable year of its dissolution or withdrawal shall not be less than the minimum tax provided for in Section 23184 for such taxable year.

SEC. 8. Section 23186 of the Revenue and Taxation Code is amended to read:

23186. The rate of tax on banks and financial corporations shall be a percentage equal to the percentage of the total amount of net income, allocable to this state, of every corporation taxable under Section 23151 or subdivision (c) of Section 23151.1 or paragraph (1) of subdivision (d) of Section 23151.1, as the case may be, other than public utilities as defined in the Public Utilities Act, for the next preceding calendar year or fiscal years ended during such calendar year, required to be paid to this state as franchise taxes according to or measured by such net income, and required to be paid to this state or its political subdivisions by such corporations as personal property taxes during the preceding calendar year or fiscal years ended in such calendar year; provided, however, that said rate of tax shall not exceed 13 percent. The percentage of the net income of every corporation taxable under Section 23151, or subdivision (c) of Section 23151.1, or paragraph (1) of subdivision (d) of Section 23151.1, as the case may be, other than public utilities as defined in the Public Utilities Act, required to be paid to this state or its political subdivisions in personal property taxes shall be determined by ascertaining the ratio which the total amount of such personal property taxes, less 9 percent thereof, bears to the total amount of net income of such corporations allocable to California, increased by the amount of such personal property taxes; provided, however, that if any such corporation sustains a net loss allocable to California the personal property taxes required to be paid by such corporation to this state or its political subdivisions during the preceding calendar year or fiscal years ended during such calendar year shall be considered for the purpose of determining such ratio only to the extent which such personal property taxes exceed such net loss allocable to California.

SEC. 9. Section 23188 is added to the Revenue and Taxation Code, to read:

23188. In the event that taxes, interest and penalties have been or shall be assessed against, paid by or collected from a taxpayer

under a subsection of Section 23181 or 23183.1, which assessment, payment or collection should have been made under a different subsection of such sections, such taxes, interest and penalties shall be considered as having been assessed, paid or collected under such different subsection as of the date or dates they were made.

SEC. 10. Section 23201 of the Revenue and Taxation Code is amended to read:

23201. (a) In the case of a taxpayer whose tax for the first taxable year was computed under Sections 23222 to 23224, inclusive (or corresponding sections of prior laws), there shall be allowed as a credit against the tax for the taxable year of dissolution or withdrawal, the excess of the tax paid over the minimum tax for the first taxable year which constituted a full 12 months of doing business in this state and whose income has been included in the measure of tax of a succeeding taxable year.

(b) Any credit previously allowed under this section or for a year in which the taxpayer ceased doing business shall not be allowed again in computing a credit under this section.

SEC. 11. Section 23202 of the Revenue and Taxation Code is amended to read:

23202. (a) In the case of a taxpayer which has been a transferee in a reorganization to which Sections 23251 to 23254, inclusive (or corresponding sections of prior laws), were applicable, there shall be allowed as a credit for the taxable year of dissolution or withdrawal, the excess of the tax paid over the minimum tax paid by prior transferors or by the transferee as a transferor under Sections 23222 to 23224, inclusive (or corresponding sections of prior laws), for the first taxable year of the transferors which constituted a full 12 months of doing business and whose income has been included in the measure of tax of a succeeding taxable year.

(b) The credit allowable under this section shall be in addition to any credit which may be allowable to the taxpayer under Section 23201. However, any credit previously allowed under Section 2301, this section or for a year in which the taxpayer or transferor ceased doing business, shall not be allowed again in computing a credit under this section.

SEC. 12. Section 23204 of the Revenue and Taxation Code is amended to read:

23204. (a) No credit under this article shall be allowed or made after four years from the last day prescribed for filing the return for the taxable year of dissolution or withdrawal, or within the periods prescribed under Article 1 of Chapter 22, whichever period expires the latest, unless before the expiration of such period a claim therefor is filed by the taxpayer.

(b) Notwithstanding the provisions of Section 23204(a), no credit under this article shall be allowed or made to a taxpayer which has been suspended for a period of four continuous years beginning on or after January 1, 1975.

SEC. 13. Section 23224.5 of the Revenue and Taxation Code is

amended to read:

23224.5. (a) After December 31, 1971, if a corporation which has been subject to the provisions of Chapter 3 commences to do business in this state, such corporation shall pay a tax under Chapter 3 for the whole of the taxable year it commences to do such business.

(b) For the purposes of Sections 23151.1 and 23183.1, the first taxable year subsequent to the taxable year the corporation commences to do such business (as described in subdivision (a)) shall be treated as the taxable year of commencement.

SEC. 14. Section 23225 of the Revenue and Taxation Code is amended to read:

23225. The adjusted tax, as provided in Sections 23222 to 23224.5, inclusive, for any taxable year in excess of the prepayment for that year, shall be due and payable as provided in Chapter 19.

SEC. 15. Section 23226 of the Revenue and Taxation Code is amended to read:

23226. In the case of the taxpayer taxable in the manner provided in Sections 23222 to 23224.5, inclusive, reporting income from any source on a deferred basis, the Franchise Tax Board is authorized to distribute or apportion such income, or deductions applicable thereto, if it determines that such distribution or apportionment is necessary in order to prevent avoidance of taxes or clearly to reflect the income of the taxpayer.

SEC. 16. Section 23281 of the Revenue and Taxation Code is amended to read:

23281. (a) When a taxpayer ceases to do business within the state during any taxable year and does not dissolve or withdraw from the state during that year, and does not resume doing business during the succeeding taxable year, its tax for the taxable year in which it resumes doing business shall be the greater of—(1) the tax computed upon the basis of the net income of the income year in which it ceased doing business, except where such income has already been included in the measure of a tax imposed by this chapter, or (2) the minimum tax prescribed in Section 23153.

(b) Such tax shall be due and payable at the time the corporation resumes doing business, or on or before the 15th day of the third month following the close of its income year, whichever is later. All the provisions of this part relating to delinquent taxes shall be applicable to such tax if it is not paid on or before its due date.

(c) This section is not applicable to a corporation which became subject to the provisions of Chapter 3 after it discontinued doing business in this state; see Section 23224.5.

SEC. 17. Section 23282 of the Revenue and Taxation Code is amended to read:

23282. (a) The tax imposed upon any taxpayer which has suffered the suspension or forfeiture provided in Section 23301, and which revives in any taxable year other than the taxable year in which suspension or forfeiture occurred, shall be computed in the same manner as provided in Sections 23222 to 23224, inclusive,

relative to the computation of taxes upon taxpayers commencing to do business for the first time after incorporation or qualification. In addition to the taxes, penalties, and interest specified in Section 23305, such taxpayer shall prepay a tax in an amount equal to the minimum tax provided for in Section 23153 as a condition precedent to the issuance of a certificate of revivor.

(b) After December 31, 1971, the tax imposed upon any taxpayer which has suffered the suspension or forfeiture provided in Section 23301, and which revives in any taxable year other than the taxable year in which suspension or forfeiture occurred, shall be—

(1) In the case of a taxpayer which was doing business in the year next preceding the year in which revivor took place, computed upon the basis of the net income for that next preceding income year,

(2) In the case of a taxpayer which resumed doing business in the year of revivor, computed upon the basis of the net income for the year in which it ceased doing business, unless such income is or has otherwise been subject to tax,

(3) In the case of a taxpayer which first commences to do business in the year of revivor, the minimum tax provided in Section 23153,

(4) In no event less than the minimum tax provided in Section 23153.

In addition to the taxes, penalties, and interest specified in Section 23305, such taxpayer shall prepay the minimum tax imposed by this subdivision as a condition precedent to the issuance of a certificate of revivor.

SEC. 18. Section 23332.5 of the Revenue and Taxation Code is amended to read:

23332.5. If a financial corporation ceases doing business, dissolves, or withdraws from the state during any taxable year beginning after December 31, 1972, the tax for the taxable year during which cessation of doing business, dissolution or withdrawal occurs shall be computed as prescribed by subdivision (b) or (d) of Section 23183, 23183.1, or 231832. In determining the amount of such tax, a financial corporation will be allowed an offset against the amounts paid during such taxable year to this state as personal property taxes, or as license fees or excise taxes as described in subdivisions (a) to (d), inclusive, of Section 23184. However, after the allowance of such offsets, the tax on a financial corporation shall not be less than the tax prescribed in Section 23184.

SEC. 19. Section 23364a of the Revenue and Taxation Code is amended to read:

23364a. Where a member of an affiliated group filing a consolidated return is a corporation commencing to do business in this state for the first time after August 27, 1937, its tax for the taxable year of commencement shall be the tax for such year as provided for in subdivisions (a) and (b) of Section 23151.1.

SEC 20 Section 23400 of the Revenue and Taxation Code is

amended to read:

23400. (a) In addition to the other taxes imposed by this part, there is hereby imposed for each taxable year (as defined in Section 23041), with respect to the income of every taxpayer under this part, a tax equal to 2.5 percent of the amount (if any) by which the sum of the items of tax preference in excess of thirty thousand dollars ($30,000) is greater than the sum of the amount of net loss for the income year.

(b) With respect to taxpayers subject to Article 4 of Chapter 2 (commencing with Section 23101) of this part, the provisions of Articles 4 to 9, inclusive, shall apply to the tax imposed by this section except that Section 23221 shall not apply.

(c) For the purposes of computing the tax on items of tax preference for taxable years in which a taxpayer commenced doing business, dissolves, withdraws, or ceases doing business, the provisions of Sections 23151, 23151.1, 23151.2, 23181, 23183, 23183.1, 23183.2, 23201 to 23204, inclusive, 23222 to 23224.5, inclusive, 23282, 23332.5, 23504 and 25401 shall be applied with due regard for the rate and tax preference amounts prescribed by this chapter.

SEC. 21. Section 25401 of the Revenue and Taxation Code is amended to read:

25401. (a) Except as provided in subdivision (b) or subdivision (c), every taxpayer subject to the tax imposed by this part shall, within 2 months and 15 days after the close of its income year, transmit to the Franchise Tax Board a return in a form prescribed by it, specifying for the income year, all such facts as it may by rule, or otherwise, require in order to carry out the provisions of this part. A tax return, disclosing net income for any income year, filed pursuant to Chapter 2 or Chapter 3 of this part shall be deemed filed pursuant to the proper chapter of this part for the same income period, if the chapter under which filed is determined erroneous.

(b) In the case of cooperative associations described in Section 24404, returns shall be filed on or before the 15th day of the ninth month following the close of its income year.

(c) In the case of taxpayers, other than taxpayers described in subdivision (d), which dissolve or withdraw, each such taxpayer shall within 2 months and 15 days after the close of the month in which the dissolution or withdrawal takes place, transmit to the Franchise Tax Board a return in a form prescribed by it, specifying for the period involved, all such facts as it may by rule, or otherwise, require in order to carry out the provisions of this part.

(d) In the case of taxpayers filing under Chapter 17 of this part as part of a unitary business, each such taxpayer shall file with the Franchise Tax Board, within 2 months and 15 days after the close of the taxable year of the unitary group within which dissolution or withdrawal takes place, a return in a form prescribed by it specifying for the period involved, all such facts as it may by rule, or otherwise require, in order to carry out the provisions of this part.

SEC. 22. This act provides for a tax levy within the meaning of

Article IV of the Constitution and shall go into immediate effect.

CHAPTER 553

An act to amend Section 22112 of the Vehicle Code, relating to vehicles.

[Approved by Governor September 2, 1977 Filed with Secretary of State September 3, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 22112 of the Vehicle Code is amended to read:

22112. The driver of a schoolbus shall operate the flashing red signal lamps required on such bus at all times when children are unloading from the schoolbus to cross a highway or when the bus is stopped for the purpose of loading children who must cross a highway to board the bus, except that such signal shall not be operated at any place where traffic is controlled by a traffic officer or official traffic control signal. The schoolbus signal lamps shall not be operated at any other time.

CHAPTER 554

An act relating to the Santa Barbara Community College District, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977]

The people of the State of California do enact as follows:

SECTION 1. Since 1968 the Santa Barbara Community College District has conducted a unique and highly successful instructional program in marine technology, offering training in a specialized field not otherwise readily available to community college students in the area.

The marine technology program in presently conducted in leased facilities which do not conform to structural standards mandated by the state's so-called Field Act. The community college district has undertaken the design and construction of permanent facilities to house the program and was granted an extension of time for occupancy of the leased facilities. Under existing law, the district's authority to occupy the leased facilities will expire June 30, 1977.

Due to recently encountered architectural problems relating to site development, construction of the new permanent facility has

been delayed and completion cannot now be accomplished before September 1, 1978.

SEC. 2. The Legislature intends by this act to permit the Santa Barbara Community College District to continue operation of its successful marine technology program without interruption pending the construction and completion of permanent facilities to house the program, and to permit the district to occupy, for a limited time, nonconforming leased facilities in which the program has been operated since its inception in 1968.

SEC. 3. The State Allocation Board, upon making a determination that the Santa Barbara Community College District has proceeded with a plan for the design and construction of permanent replacement facilities in which to conduct its marine technology program, may authorize the district to continue to house such program in nonconforming leased facilities and the district may, for such purposes, renew the existing lease or enter into a new lease for the use of such facilities. In no event shall the State Allocation Board authorize the use of the leased facilities for a period extending beyond the completion of permanent replacement facilities or beyond September 1, 1978, whichever occurs first. During the period of continued occupancy, as authorized by the State Allocation Board, the leased facilities shall not be subject to the provisions of Article 7 (commencing with Section 81130) and Article 8 (commencing with Section 81160) of Chapter 1 of Part 49 of Division 7 of the Education Code.

SEC. 4. Due to unique circumstances concerning the construction of permanent replacement facilities for the marine technology program conducted by the Santa Barbara Community College District, as described in Section 1, and the limited nature of the exemption provided for in Section 2 of this act, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the Constitution.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that the Santa Barbara Community College District may continue to operate its marine technology program in leased facilities beyond the existing June 30, 1977, deadline, thus avoiding an interruption which would seriously disrupt students enrolled in the program, and in order to permit the district to proceed with an orderly transition to newly constructed permanent facilities, it is necessary that this act take effect immediately.

CHAPTER 555

An act to amend Section 91013 of the Government Code, relating to the Political Reform Act of 1974.

[Approved by Governor September 2, 1977 Filed with Secretary of State September 3, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 91013 of the Government Code is amended to read:

91013. (a) If any person files an original statement or report, after any deadline imposed by this act he shall, in addition to any other penalties or remedies established by this act, be liable in the amount of ten dollars ($10) per day after the deadline until the statement or report is filed, to the officer with whom the statement or report is required to be filed. Liability need not be enforced by the filing officer if on an impartial basis he determines that the late filing was not willful and that enforcement of the liability will not further the purposes of the act, except that no liability shall be waived if a statement or report is not filed within 10 days, or five days in the case of the second preelection campaign statement, after the filing officer has sent specific written notice of the filing requirement.

(b) If any person files a copy of a statement or report after any deadline imposed by this act he shall, in addition to any other penalties or remedies established by this chapter, be liable in the amount of ten dollars ($10) per day, starting 10 days, or five days in the case of the second preelection campaign statement, after the officer has sent specific written notice of the filing requirement and until the statement is filed.

(c) The officer shall deposit any funds received under this section into the general fund of the jurisdiction of which he is an officer. No liability under this section shall exceed the cumulative amount stated in the late statement or report, or one hundred dollars ($100), whichever is greater.

SEC. 2. The Legislature finds and declares that the provisions of this act further the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of Section 81012 of the Government Code.

CHAPTER 556

An act to amend Sections 3512, 3756, and 27300 of the Elections Code, and to amend Section 6253.5 of the Government Code, relating to election petitions.

[Approved by Governor September 2, 1977 Filed with Secretary of State September 3, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 3512 of the Elections Code is amended to read:

3512. Officers required by law to receive or file in their offices any initiative or referendum petition shall preserve the petition until eight months after the certification of the results of the election for which the petition qualified or attempted to qualify for placement on the ballot. Thereafter, the petition shall be destroyed as soon as practicable unless it is in evidence in some action or proceeding then pending or unless the officer has received a written request from the Attorney General, the Secretary of State, the Fair Political Practices Commission, a district attorney, a grand jury, or the governing body of a county, city and county, or district, including a school district, that the petition be preserved for use in a pending or ongoing investigation into election irregularities, the subject of which relates to the petition's qualification or disqualification for placement on the ballot, or in a pending or ongoing investigation into a violation of the Political Reform Act of 1974 as set forth in Title 9 (commencing with Section 81000) of the Government Code.

SEC. 2. Section 3756 of the Elections Code is amended to read:

3756. An initiative or referendum petition received or filed in the office of the county clerk shall be preserved until eight months after the certification of the results of the election for which the petition qualified or attempted to qualify for placement on the ballot. Public access to any such petition shall be restricted in accordance with the provisions of Section 6253.5 of the Government Code. At the end of the eight-month period, the petition shall be destroyed as soon as practicable unless it is in evidence in some action or proceeding then pending, or unless the clerk has received a written request from the Attorney General, the Secretary of State, the Fair Political Practices Commission, a district attorney, a grand jury, or the governing body of a county, city and county, or district including a school district, that the petition be preserved for use in a pending or ongoing investigation into election irregularities, or in a pending or ongoing investigation into a violation of the Political Reform Act of 1974 as set forth in Title 9 (commencing with Section 81000) of the Government Code.

SEC. 3. Section 27300 of the Elections Code is amended to read:

27300. The clerk or, in the case of the recall of a state officer, the Secretary of State, shall preserve in his office all recall petitions filed for eight months after the certification of the results of the election for which the petition qualified or, if no election is held, eight months after the clerks final examination of the petition. Public access to any such petition shall be restricted in accordance with provisions of Section 6253.5 of the Government Code. At the end of the eight-month period, the petition shall be destroyed as soon as

practicable, unless it is in evidence in some action or proceeding then pending or unless a written request is received from the Attorney General, the Secretary of State, the Fair Political Practices Commission, a district attorney, a grand jury, or the governing body of a county, city, or district, including a school district, that the petition be preserved for use in a pending or ongoing investigation into election irregularities, or in a pending or ongoing investigation into a violation of the Political Reform Act of 1974 as set forth in Title 9 (commencing with Section 81000) of the Government Code.

SEC. 4. Section 6253.5 of the Government Code is amended to read:

6253.5. Notwithstanding the provisions of Sections 6252 and 6253, statewide, county, city, and district initiative, referendum, and recall petitions and all memoranda prepared by the county clerks in the examination of such petitions indicating which registered voters have signed particular petitions shall not be deemed to be public records and shall not be open to inspection except by the public officer or public employees who have the duty of receiving, examining or preserving such petitions or who are responsible for the preparation of such memoranda; provided, however, that the Attorney General, the Secretary of State, the Fair Political Practices Commission, a district attorney, and a city attorney shall be permitted to examine such material upon approval of the appropriate superior court.

CHAPTER 557

An act to amend the heading of Article 13 (commencing with Section 33460) of Chapter 4 of Part 1 of Division 24 of, and to add Article 14 (commencing with Section 33470) to Chapter 4 of Part 1 of Division 24 of, the Health and Safety Code, relating to redevelopment, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 2, 1977 Filed with Secretary of State September 3, 1977.]

The people of the State of California do enact as follows:

SECTION 1. The heading of Article 13 (commencing with Section 33460) of Chapter 4 of Part 1 of Division 24 of the Health and Safety Code is amended to read:

Article 13. Merger of Redevelopment Project Areas in the City of Sacramento

SEC. 2. Article 14 (commencing with Section 33470) is added to Chapter 4 of Part 1 of Division 24 of the Health and Safety Code, to

read:

Article 14. Merger of Redevelopment Project Areas in the City of San Bernardino

33470. For the purpose of allocating taxes pursuant to Section 33670 and subject to the provisions of this article, redevelopment project areas under the jurisdiction of the redevelopment agency of the City of San Bernardino, for which redevelopment plans have been adopted pursuant to Article 5 (commencing with Section 33360) of this chapter, may be merged, irrespective of contiguity, by the amendment of each affected redevelopment plan as provided in Article 12 (commencing with Section 33450) of this chapter. Each constituent project area so merged shall continue under its own redevelopment plan, but, except as otherwise provided in this article, taxes attributable to each project area merged pursuant to this section which are allocated to the redevelopment agency pursuant to Section 33670 may be allocated, as provided in subdivision (b) of such section, to the entire merged project area for the purpose of paying the principal of and interest on loans, moneys advanced to, or indebtedness (whether funded, refunded, assumed, or otherwise) incurred by the redevelopment agency to finance or refinance, in whole or in part, such merged redevelopment project.

33471. If the redevelopment agency has, prior to merger of redevelopment project areas pursuant to Section 33470, incurred any indebtedness on account of a constituent project area so merged, taxes attributable to such area which are allocated to the agency pursuant to Section 33670 shall be first used to comply with the terms of any bond resolution or other agreement pledging such taxes from such constituent project area.

33472. The redevelopment plan for a project area which is merged pursuant to Section 33470 shall be amended in the same manner as other redevelopment plans are amended. Notice of the public hearing shall be mailed to the last known assessee of each parcel of land not owned by the agency within the boundaries of the project area described in the redevelopment plan being amended. Notice of the public hearing need not be mailed to assessees of parcels of land within the boundaries of other project areas combined into a merged project area pursuant to Section 33470, except that notice of the public hearing shall be given to the project area committee for each project area which is part of the merged project area.

33473. This article shall be applicable only to redevelopment projects of the redevelopment agency of the City of San Bernardino for which a final redevelopment plan was adopted by ordinance on or before July 1, 1965.

The Legislature finds and declares that conditions unique to the financing of redevelopment in the City of San Bernardino require the granting of authority to merge project areas.

SEC. 3. This act is an urgency statute necessary for the immediate

preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

An original error was made by the tax assessing authorities in determining the increase in assessed value for a redevelopment project area, in the allocation of certain public utility property between two adjacent project areas. In correcting that error, the result has been to substantially reduce tax revenues available to the redevelopment agency for payment of its bonds. If this act is not enacted to permit the redevelopment agency to compensate for the error, its bonds will be jeopardized. Therefore, to correct the situation as soon as possible, it is necessary that this act become effective immediately.

CHAPTER 558

An act to amend Sections 27150, 27200, and 27204 of, to amend and renumber Section 27205 of, and to add Sections 27204.5, 27205, and 27207 to, the Vehicle Code, relating to vehicles.

[Approved by Governor September 2, 1977 Filed with Secretary of State September 3, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 27150 of the Vehicle Code is amended to read:

27150. (a) Every motor vehicle subject to registration shall at all times be equipped with an adequate muffler in constant operation and properly maintained to prevent any excessive or unusual noise, and no muffler or exhaust system shall be equipped with a cutout, bypass, or similar device.

(b) Except as provided in Division 16.5 (commencing with Section 38000) with respect to off-highway motor vehicles subject to identification, every passenger vehicle operated off the highways shall at all times be equipped with an adequate muffler in constant operation and properly maintained so as to meet the requirements of Article 2.5 (commencing with Section 27200), and no muffler or exhaust system shall be equipped with a cutout, bypass, or similar device.

(c) The provisions of subdivision (b) shall not be applicable to passenger vehicles being operated off the highways in an organized racing or competitive event conducted under the auspices of a recognized sanctioning body or by permit issued by the local governmental authority having jurisdiction.

SEC. 2. Section 27200 of the Vehicle Code is amended to read:

27200. (a) The Department of Motor Vehicles shall not register on a dealer's report of sale a new motor vehicle, except an off-highway

motor vehicle subject to identification as provided in Division 16.5 (commencing with Section 38000), which produces a maximum noise exceeding the applicable noise limit at a distance of 50 feet from the centerline of travel under test procedures established by the Department of the California Highway Patrol.

(b) The Department of Motor Vehicles may accept a dealer's certificate as proof of compliance with this article.

(c) Test procedures for compliance with this article shall be established by the Department of the California Highway Patrol, taking into consideration the test procedures of the Society of Automotive Engineers.

(d) No person shall sell or offer for sale a new motor vehicle, except an off-highway motor vehicle subject to identification as provided in Division 16.5 (commencing with Section 38000), which produces a maximum noise exceeding the applicable noise limit specified in this article, and for which noise emission standards or regulations have not been adopted by the Administrator of the Environmental Protection Agency pursuant to the Noise Control Act of 1972 (P.L. 92-574).

(e) No person shall sell or offer for sale a new motor vehicle, except an off-highway motor vehicle subject to identification as provided in Division 16.5 (commencing with Section 38000), which produces noise that exceeds or in any way violates the noise emission standards or regulations adopted for such a motor vehicle by the Administrator of the Environmental Protection Agency pursuant to the Noise Control Act of 1972 (P L. 92-574).

(f) As used in this section, the term "register" is equivalent to the term "licensing" as used in Section 6(e) (2) of the Noise Control Act of 1972 (P.L. 92-574; Title 42, United States Code, Section 4905(e) (2)).

SEC. 3. Section 27204 of the Vehicle Code is amended to read:

27204. For the purposes of Section 27200, the following noise limits shall apply to any motor vehicle with a gross vehicle weight rating of 6,000 pounds or more manufactured:

(1) After 1967, and before 1973	88 dbA
(2) After 1972, and before 1975	86 dbA
(3) After 1974, and before 1978	83 dbA

SEC. 3.5. Section 27204.5 is added to the Vehicle Code, to read:

27204.5. For the purposes of Section 27200, the noise limit of 80 dbA shall apply to any motor vehicle with a gross vehicle weight rating of 6,000 pounds or more, but not more than 8,500 pounds, manufactured after 1977.

SEC. 4. Section 27205 of the Vehicle Code is amended and renumbered, to read:

27206. For the purposes of Section 27200, the following noise limits shall apply to any other motor vehicle, not specified in this article, manufactured:

(1) After 1967, and before 1973 ..... 86 dbA
(2) After 1972, and before 1975 ..... 84 dbA
(3) After 1974 ..... 80 dbA

SEC. 5. Section 27205 is added to the Vehicle Code, to read:

27205. For the purposes of Section 27200, the following noise limits shall apply to any motor vehicle with a gross vehicle weight rating of more than 8,500 pounds manufactured:

(1) After 1977, and before 1982 ..... 83 dbA
(2) After 1981 ..... 80 dbA

SEC. 6. Section 27207 is added to the Vehicle Code, to read:

27207. Notwithstanding the provisions of Section 27205, no motor vehicle with a gross vehicle weight rating of more than 10,000 pounds and equipped with an engine speed governor shall produce a sound level exceeding 88 dbA, measured on an open site at a distance of 50 feet from the longitudinal centerline of the vehicle, when its engine is accelerated from idle with wide open throttle to governed speed with the vehicle stationary, transmission in neutral, and clutch, if any, engaged. Test procedures for compliance with this section shall be established by the department, taking into consideration the procedures of the United States Department of Transportation. Such procedures may provide for measuring at other distances, in which case the measurement shall be corrected so as to provide for measurements equivalent to the noise limit established by this section measured at 50 feet.

SEC. 7. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local governmental entities which, in the aggregate, do not result in significant, identifiable cost changes.

CHAPTER 559

An act to amend Sections 53954 and 53960 of the Government Code, relating to districts.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 53954 of the Government Code is amended to read:

53954. (a) Before any money is withdrawn from the county treasury to be placed in the revolving fund of a special district, the officer for whose use the fund is created shall file with the governing body of the district and the auditor a bond executed by himself as principal and by an admitted surety insurer, in an amount equal to that of the revolving fund. The bond shall be conditioned upon the faithful administration of the fund and upon the willingness and ability of the principal to account for and pay over the fund upon demand of the governing board of the district at any time.

(b) In lieu of the bond provided for in subdivision (a) of this section, any officer of the district required by statute to furnish an official bond, and any district which purchases and maintains a blanket bond on all or certain of its employees not otherwise required by statute to provide a bond, may cause such a bond or bonds to be issued or amended by endorsement to be conditioned, in addition to its other provisions, upon the faithful administration of the revolving fund and upon the willingness and ability of the principal or principals, for whose use such a fund or funds have been established, to account for and pay over the fund or funds upon demand of the governing board of the district at any time.

SEC. 2. Section 53960 of the Government Code is amended to read:

53960. The governing board may at any time increase, reduce or discontinue any revolving fund established by its order. If the revolving fund is ordered reduced, the officer entrusted with the fund shall immediately return to the county treasurer the amount necessary to reduce the fund as ordered by the board. If the fund is discontinued, the officer shall immediately pay over the balance of the fund on hand as well as all outstanding receipts to the county treasurer.

CHAPTER 560

An act to amend Section 6505 of the Government Code, relating to joint exercise of powers, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 2, 1977 Filed with Secretary of State September 3, 1977]

The people of the State of California do enact as follows:

SECTION 1 Section 6505 of the Government Code is amended to read:

6505. The agreement shall provide for strict accountability of all funds and report of all receipts and disbursements

In addition, and provided a separate agency or entity is created, the public officer performing the functions of auditor or controller as determined pursuant to Section 6505.5, shall either make or contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of every agency or entity, except that such officer need not make or contract for such audit in any case where an annual audit of the accounts and records of such agency or entity by a certified public accountant or public accountant is otherwise made by any agency of the state or the United States only as to such accounts and records which are directly subject to such a federal or state audit. In each case the minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code and shall conform to generally accepted auditing standards.

Where an audit of an account and records is made by a certified public accountant or public accountant, a report thereof shall be filed as public records with each of the contracting parties to the agreement and also with the county auditor of the county in which each of the contracting parties is located. Such report shall be filed within 12 months of the end of the fiscal year under examination.

Any costs of the audit, including contracts with, or employment of, certified public accountants or public accountants, in making an audit pursuant to this section shall be borne by the agency or entity and shall be a charge against any unencumbered funds of the agency or entity available for the purpose.

All agencies or entities whose annual budget does not exceed five hundred dollars ($500), may, by unanimous request of the governing body thereof, with unanimous approval of the contracting parties replace the annual special audit with an audit covering a two-year period.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to prevent needless duplication of costly audits of the joint powers entities included within this act, it is necessary that this act become effective immediately.

CHAPTER 561

An act to amend Section 10901 of the Education Code and Sections 65303 and 66477 of the Government Code, relating to parks and recreation.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 10901 of the Education Code is amended to read:

10901. The following terms, wherever used or referred to in this chapter have the following meanings, respectively, unless a different meaning clearly appears from the context:

(a) "Public authority" means any city of any class, city and county, county of any class, public corporation or district having powers to provide recreation, or school district or community college district in the state.

(b) "Governing body" means, in the case of a city, the city council, municipal council, or common council; in the case of a county or city and county, the board of supervisors; in the case of a public corporation or district, the governing board of the public corporation or district; and in the case of a school district, the governing board of the school district or community college district.

(c) "Recreation" means any activity, voluntarily engaged in, which contributes to the physical, mental, or moral development of the individual or group participating therein, and includes any activity in the fields of music, drama, art, handicraft, science, literature, nature study, nature contacting, aquatic sports, and athletics, or any of them, and any informal play incorporating any such activity.

(d) "Community recreation" and "public recreation" mean such recreation as may be engaged in under direct control of a public authority.

(e) "Recreation center" means a place, structure, area, or other facility under the jurisdiction of a governing body of a public authority used for community recreation whether or not it may be used primarily for other purposes, playgrounds, playing fields or courts, beaches, lakes, rivers, swimming pools, gymnasiums, auditoriums, libraries, parks adjacent to school sites, recreational community gardens, rooms for arts and crafts, camps, and meetingplaces.

Playgrounds, outdoor playing fields or courts, swimming pools, and camps, with necessary equipment and appurtenances for their operation, under the jurisdiction of a governing board of a public authority used for community recreation shall be considered recreation centers within the meaning of this chapter whether or not they may be used primarily for other purposes.

SEC. 2. Section 65303 of the Government Code is amended to read:

65303. The general plan may include the following elements or any part or phase thereof:

(a) A recreation element showing a comprehensive system of areas and public sites for recreation, including the following, and, when practicable, their locations and proposed development·

(1) Natural reservations.

(2) Parks.

(3) Parkways.
(4) Beaches.
(5) Playgrounds.
(6) Recreational community gardens.
(7) Other recreation areas.

(b) The circulation element provided for in subdivision (b) of Section 65302 may also include recommendations concerning parking facilities and building setback lines and the delineations of such systems on the land; a system of street naming, house and building numbering; and such other matters as may be related to the improvement of circulation of traffic.

(c) A transportation element showing a comprehensive transportation system, including locations of rights-of-way, terminals, viaducts, and grade separations. This element of the plan may also include port, harbor, aviation, and related facilities.

(d) A transit element showing a proposed system of transit lines, including rapid transit, streetcar, motor coach and trolley coach lines, and related facilities.

(e) A public services and facilities element showing general plans for sewerage, refuse disposal, drainage, and local utilities, and rights-of-way, easements, and facilities for them.

(f) A public building element showing locations and arrangements of civic and community centers, public schools, libraries, police and fire stations, and other public buildings, including their architecture and the landscape treatment of their grounds.

(g) A community design element consisting of standards and principles governing the subdivision of land, and showing recommended designs for community and neighborhood development and redevelopment, including sites for schools, parks, playgrounds and other uses.

(h) A housing element consisting of standards and plans for the elimination of substandard dwelling conditions.

(i) A redevelopment element consisting of plans and programs for the elimination of slums and blighted areas and for community redevelopment, including housing sites, business and industrial sites, public building sites, and for other purposes authorized by law.

(j) A historical preservation element for the identification, establishment, and protection of sites and structures of architectural, historical, archeological or cultural significance, including significant trees, hedgerows and other plant materials. The historical preservation element shall include a program which develops actions to be taken in accomplishing the policies set forth in this element.

Guidelines shall be developed by the Office of Planning and Research by February 1, 1976 in consultation with appropriate public and private organizations concerned with historical preservation.

(k) Such additional elements dealing with other subjects which in the judgment of the planning agency relate to the physical development of the county or city.

SEC. 3. Section 66477 of the Government Code is amended to read:

66477. The legislative body of a city or county may by ordinance require the dedication of land, the payment of fees in lieu thereof, or a combination of both, for park or recreational purposes as a condition to the approval of a final map or parcel map, provided that:

(a) The ordinance has been in effect for a period of 30 days prior to the filing of the tentative map of the subdivision or parcel map.

(b) The ordinance includes definite standards for determining the proportion of a subdivision, to be dedicated and the amount of any fee to be paid in lieu thereof.

(c) The land, fees, or combination thereof are to be used only for the purpose of providing park or recreational facilities to serve the subdivision.

(d) The legislative body has adopted a general plan containing a recreational element, and the park and recreational facilities are in accordance with definite principles and standards contained therein.

(e) The amount and location of land to be dedicated or the fees to be paid shall bear a reasonable relationship to the use of the park and recreational facilities by the future inhabitants of the subdivision.

(f) The city or county must specify when development of the park or recreational facilities will begin.

(g) Only the payment of fees may be required in subdivisions containing fifty (50) parcels or less.

(h) Subdivisions containing less than five (5) parcels and not used for residential purposes shall be exempted from the requirements of this section; provided however, that a condition may be placed on the approval of such parcel map that if a building permit is requested for construction of a residential structure or structures on one or more of the parcels within four years the fee may be required to be paid by the owner of each such parcel as a condition to the issuance of such permit.

Land or fees required under this section shall be conveyed or paid directly to the local public agency which provides park and recreational services on a communitywide level and to the area within which the proposed development will be located, if such agency elects to accept the land or fee. The local agency accepting such land or funds shall develop the land or use the funds in the manner provided herein.

In the event park and recreational services and facilities are provided by a public agency other than a city or a county, the amount and location of land to be dedicated or fees to be paid shall be jointly determined by the city or county having jurisdiction and such public agency.

The provisions of this section do not apply to industrial subdivisions; nor do they apply to condominium projects which consist of the subdivision of airspace in an existing apartment building which is more than five years old when no new dwelling units are added, nor do they apply to parcel maps for a subdivision

containing less than five (5) parcels for a shopping center containing more than 300,000 square feet of gross leasable area and no residential development or uses.

Park and recreation purposes shall include land and facilities for the activity of "recreational community gardening," which activity consists of the cultivation by persons other than, or in addition to, the owner of such land, of plant material not for sale.

CHAPTER 562

An act to repeal Sections 1354 and 1355 of the Water Code, relating to water.

[Approved by Governor September 2, 1977 Filed with Secretary of State September 3, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 1354 of the Water Code is repealed.

SEC. 2. Section 1355 of the Water Code is repealed.

CHAPTER 563

An act to amend Section 61114 of the Government Code, relating to community service districts.

[Approved by Governor September 2, 1977 Filed with Secretary of State September 3, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 61114 of the Government Code is amended to read:

61114. Upon the final hearing the board of supervisors shall fix the boundaries of the proposed district. In so doing it shall exclude from the district any land which it finds will not be benefited by the proposed project and it may include in the district any land which it finds will be benefited if it also finds it will be to the interest of the district to include the same. If the board determines and finds from evidence taken at the hearing that the proposed district as its boundaries are described in the petition or as changed by the board is either not in the public interest or not economically feasible, or both, it may dismiss the petition and terminate the proceedings, but if the board determines and finds that the proposed district is in the public interest and is economically feasible it shall call an election to be held in the proposed district for the purpose of determining whether or not the district shall be organized. If the board

determines and finds from the evidence taken at the hearing, or hearings, that 80 percent of the registered voters within the proposed district have signed the petition, and no written or oral protests have been received or offered at the hearing, or hearings, the board shall dispense with an election and, by resolution, declare the district duly organized, give the name of the district, the purposes for which it is formed, describe its boundaries, and designate the members of the board of directors whose terms of office shall be determined by lot and in accordance with Section 23506 of the Elections Code; provided, however, if one or more written or oral protests are made to the board, the board shall review the protest or protests received and determine if there should be an election or if they should declare that the district is formed without an election; and further provided, that the board shall not waive such election when the proposed district would encompass territory in more than one county. The county clerk shall file and record copies of the resolution as provided in Section 61128 of this code.

CHAPTER 564

An act to amend Sections 66723, 66780.5, 66783.1 and 66784 of, and to add Section 66784.2 to, the Government Code, relating to solid waste management.

[Approved by Governor September 2, 1977 Filed with Secretary of State September 3, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 66723 of the Government Code is amended to read:

66723. "Transfer/processing station" or "station" includes those facilities utilized to receive solid wastes, temporarily store, separate, convert, or otherwise process the materials in the solid wastes, or to transfer the solid wastes directly from smaller to larger vehicles for transport. "Transfer/processing station" or "station" does not include any facility the principal function of which is to receive, store, separate, convert, or otherwise process, in accordance with state minimum standards, manure; nor does it include any facility, the principal function of which is to receive, store, convert, or otherwise process wastes which have already been separated for reuse and are not intended for disposal.

SEC. 1.5. Section 66780.5 of the Government Code is amended to read·

66780.5. In addition to the other requirements of this title, the county solid waste management plan prepared pursuant to Section 66780 shall:

(a) Include in the first revision as required in subdivision (b) an

amendment delineating an enforcement program in accordance with the provisions of Chapter 3 (commencing with Section 66796), which has been reviewed by the board and the State Department of Health.

(b) Be reviewed, and revised, if appropriate, at least every three years and revised where necessary to be consistent with state policy. A report of the results of the plan review shall be submitted to the board beginning on the third anniversary of the date of board approval of the plan submitted pursuant to Section 66780 with subsequent reviews and reports due at least every three years thereafter.

(c) Any amendment to the plan shall be approved by a majority of the cities within the county which contain a majority of the population of the incorporated area of the county. Each proposed amendment shall be submitted to each city within the county. Each city shall act upon the proposed amendment within 90 days after the city has received the amendment. If a city fails to act upon the proposed amendment within 90 days after receiving the amendment, the city shall be deemed to have approved the amendment as submitted. Each amendment shall be submitted to the board for approval as to its compliance with state policy.

SEC. 2. Section 66783.1 of the Government Code is amended to read:

66783.1. Until a solid waste management plan of a county has been approved by the board pursuant to Section 66780, no new solid waste transfer station or disposal sites approved by a city or county after the enactment of this section shall be established in a city or county without a finding by the board, at a public meeting that the protection of the public health, or public need and necessity, require the immediate implementation of the sites.

Any site is exempt from this requirement if prior to August 28, 1974, there is an environmental impact report notice of determination filed with the state or if a use permit or approval has been issued for the site by the city or county.

SEC. 3. Section 66784 of the Government Code is amended to read:

66784. No person shall establish sites for solid waste disposal, transfer station, waste processing, or resource recovery not in conformance with the county solid waste management plan approved by the board. Nonprofit private resources recovery or recycling sites for neighborhood or community type activities approved by a local governmental entity are exempt from this requirement. If the board or any local governmental entity determines that a proposed site in a city or county is not in conformance with the solid waste management plan of that county, the board may, after public hearing, require conformance to the plan, or approve an amendment to the plan. Any amendment to a county solid waste management plan shall be subject to the requirements of subdivision (c) of Section 66780.5. No person shall

establish or operate, or permit the establishment or operation of, a site which the board has determined is not in conformance with the plan. At the request of the board or any local governmental entity, the Attorney General shall bring an action to enforce the provisions of this article.

SEC. 4. Section 66784.2 is added to the Government Code, to read:

66784.2. The board may, by regulation, specify classifications of solid waste facilities that shall be exempt from the requirements of Sections 66783.1 and 66784. Any such regulation may be adopted only if the board makes all of the following findings: (1) that the exemption is not contrary to the public interest, (2) that the quantity of solid wastes to be disposed of at each such site is insignificant, and (3) that the nature of the solid wastes poses no significant threat to the public health, the public safety or the environment.

CHAPTER 565

An act to amend Section 44919 of the Education Code, relating to school employment.

[Approved by Governor September 2, 1977 Filed with Secretary of State September 3, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 44919 of the Education Code is amended to read:

44919. (a) Governing boards of school districts shall classify as temporary employees those persons requiring certification qualifications, other than substitute employees, who are employed to serve from day to day during the first three school months of any school term to teach temporary classes not to exist after the first three school months of any school term or to perform any other duties which do not last longer than the first three school months of any school term, or to teach in special day and evening classes for adults or in schools of migratory population for not more than four school months of any school term. If the classes or duties continue beyond the first three school months of any school term or four school months for special day and evening classes for adults, or schools for migratory population, the certificated employee, unless a permanent employee, shall be classified as a probationary employee. The school year may be divided into not more than two school terms for the purposes of this section.

(b) Governing boards shall classify as temporary employees persons, other than substitute employees, who are employed to serve in a limited assignment supervising athletic activities of pupils, provided, such assignment shall first be made available to teachers

presently employed by the district. Service pursuant to this subdivision shall not be included in computing the service required as a prerequisite to attainment of, or eligibility to, classification as a permanent employee of a school district.

(c) In any district, the governing board may, to prevent the stoppage of school district business when an actual emergency arises and persons are not immediately available for probationary classification, make an appointment to a position on a temporary basis for a period not to exceed 20 working days. The person so appointed shall be deemed to be a temporary employee who is employed to serve from day to day. Service by a person in such an appointment on a temporary basis shall not be included in computing the service required as a prerequisite to attainment of, or eligibility to, classification as a permanent employee of a school district.

CHAPTER 566

An act to amend Section 1063.5 of the Insurance Code, relating to insurance.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 1063.5 of the Insurance Code is amended to read:

1063.5. Each time an insurer becomes insolvent then, to the extent necessary to secure funds for the association for payment of covered claims of that insolvent insurer and also for payment of reasonable costs of adjusting such claims, the association shall collect premium payments from its member insurers sufficient to discharge its obligations. The association shall allocate its claim payments and costs, incurred or estimated to be incurred, to one or more of the following categories: (a) workers' compensation claims; (b) automobile claims, which shall include: automobile material damage, automobile liability (both personal injury and death and property damage), medical payments and uninsured motorist claims; and (c) claims other than workers' compensation and automobile, as above defined. Separate premium payments shall be required for each category. The premium payments for each category shall be used to pay the claims and costs allocated to such category. The rate of premium charged shall be a uniform percentage of net direct written premium in the preceding calendar year applicable to such category. "Net direct written premiums" shall mean the amount of gross premiums, less return premiums and policyholder's dividends paid or allowed, received in such calendar year upon business done in this

state, other than premiums received for reinsurance. In cases of a dispute as to the amount of any such net direct written premium between the association and one of its members the written decision of the commissioner shall be final. The premium charged to any member insurer on account of a single insolvency for any of the three categories or a category established by the association shall not be more than 1 percent of the net direct premium written in that category in this state by such member insurer; provided that, in no event shall the total premium charged a member insurer in one calendar year exceed 2 percent of the net direct premium written. The association may exempt or defer, in whole or in part, the assessment of any member insurer, if the assessment would cause the member insurer's financial statement to reflect amount of capital or surplus less than the minimum amounts required for a certificate of authority by any jurisdiction in which the member insurer is authorized to transact insurance. Such premium charges shall be recognized in the ratemaking procedures for insurance rates in the same manner that losses are recognized. After all covered claims of the insolvent insurer and expenses of administration have been paid, any unused premiums and any reimbursements or claims dividends from the liquidator remaining in any category shall be refunded by the association to the member insurers who paid the premiums for such category in proportion to their premiums paid. However, an insurer which ceases to be a member of the association shall have no right to a refund of any premium previously remitted to the association. The commissioner may suspend or revoke the certificate of authority to transact business in this state of a member insurer which fails to pay a premium when due and after demand has been made.

Interest at a rate equal to the current federal reserve discount rate plus 2½ percent per annum shall be added to the premium of any member insurer which fails to submit the premium requested by the association within 30 days after such mailing request. However, in no event shall the interest rate exceed the legal maximum.

CHAPTER 567

An act to amend Section 13114 of the Health and Safety Code, relating to fire protection.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 13114 of the Health and Safety Code is amended to read:

13114. (a) The State Fire Marshal, with the advice of the State Board of Fire Services, shall adopt such regulations and standards as he may determine to be necessary to control the quality and installation of fire alarm systems and fire alarm devices marketed, distributed, offered for sale, or sold in this state.

(b) No person shall market, distribute, offer for sale, or sell any fire alarm system or fire alarm device in this state unless such system or device has been approved and listed by the State Fire Marshal.

CHAPTER 568

An act to add Section 877.5 to the Code of Civil Procedure, relating to settlement of suits.

[Approved by Governor September 2, 1977 Filed with Secretary of State September 3, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 877.5 is added to the Code of Civil Procedure, to read:

877.5. (a) Where an agreement or covenant is made which provides for a sliding scale recovery agreement between one or more, but not all, alleged defendant tortfeasors and the plaintiff or plaintiffs:

(1) The parties entering into any such agreement or covenant shall promptly inform the court in which the action is pending of the existence of the agreement or covenant and its terms and provisions; and

(2) If the action is tried before a jury, and a defendant party to the agreement is a witness, the court shall, upon motion of a party, disclose to the jury the existence and content of the agreement or covenant, unless the court finds that such disclosure will create substantial danger of undue prejudice, of confusing the issues, or of misleading the jury.

The jury disclosure herein required shall be no more than necessary to be sure that the jury understands (1) the essential nature of the agreement, but not including the amount paid, or any contingency, and (2) the possibility that the agreement may bias the testimony of the alleged tortfeasor or tortfeasors who entered into the agreement.

(b) As used in this section a "sliding scale recovery agreement" means an agreement or covenant between a plaintiff or plaintiffs and one or more, but not all, alleged tortfeasor defendants, where the agreement limits the liability of the agreeing tortfeasor defendants to an amount which is dependent upon the amount of recovery

which the plaintiff is able to recover from the nonagreeing defendant or defendants. This includes, but is not limited to, agreements within the scope of Section 877, and agreements in the form of a loan from the agreeing tortfeasor defendant to the plaintiff or plaintiffs which is repayable in whole or in part from the recovery against the nonagreeing tortfeasor defendant.

CHAPTER 569

An act to add Chapter 5 (commencing with Section 67001) to Division 22 of the Food and Agricultural Code, relating to avocados, and making an appropriation therefor.

[Approved by Governor September 2, 1977 Filed with Secretary of State September 3, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Chapter 5 (commencing with Section 67001) is added to Division 22 of the Food and Agricultural Code, to read:

CHAPTER 5. CALIFORNIA AVOCADO COMMISSION

Article 1. Declaration and General Provisions

67001. Avocados produced in this state constitute one of the state's principal tree fruit crops. The avocado industry in this state is expanding. The industry constitutes an important source of jobs for many people in the state, a high proportion of whom are from underprivileged and historically deprived segments of the population.

67002. As an exotic tropical fruit, the avocado is not heavily consumed in major portions of this country. Opportunity exists for continued growth and expansion of the industry, by creating new markets in such areas. The success of such an expansion program is uniquely dependent upon effective advertising and promotion, since the creation of new markets is essentially a matter of educating people to the use of a previously unknown or unrecognized food.

67003. The establishment of a California Avocado Commission is imperative for the efficient development and management of a national and international advertising program which will insure that the California avocado industry can compete successfully in the marketplace and reduce the spread between cost to the consumer and the amount received by the producer.

67004. The production and marketing of avocados produced in this state is hereby declared to be affected with public interest. The provisions of this chapter are enacted in the exercise of the police power of this state for the purpose of protecting the health, peace,

safety, and general welfare of the people of this state.

67005. (a) A commission form of administration created by this chapter is designed to deal with the broad fields of advertising, promotion, and related marketing research.

(b) The production research shall be governed by the advisory board established under the California Marketing Act of 1937 (commencing with Section 58601).

67006. No action taken by the commission, nor by any individual in accordance with this chapter or with rules or regulations adopted under the chapter, shall be deemed a violation of the Cartwright Act, the Unfair Practices Act, the Fair Trade Act, Section 1673 of the Civil Code, or any rule of statutory or common law against monopolies or combinations in restraint of trade.

Article 2. Definitions

67021. Unless the context otherwise requires, the definitions in this article govern the construction of this chapter.

67022. "Avocado" means any variety of avocado produced in the state, including any avocado delivered to a processor for processing into any avocado product.

67023. "Books and records" mean books, records, contracts, documents, memoranda, papers, correspondence, or other written data pertaining to matters relating the activities subject to the provisions of this chapter.

67024. "Cooperative producer" means any member of a nonprofit cooperative marketing association.

67025. "Commission" means the California Avocado Commission.

67026. "Commissioner" means any member of the commission.

67027. "Distribute" means to engage in the business of a distributor.

67028. "Distributor" means any person who engages, in this state, in any of the activities with respect to avocados as set forth in Section 58608.

67029. "Districts" shall consist of the following:

(a) District 1 consists of that part of San Diego County west of State Highway Route 15 and north of State Highway Route 8.

(b) District 2 consists of all of San Diego County not contained in District 1, and Imperial County.

(c) District 3 consists of the Counties of Riverside, Orange, San Bernardino and Los Angeles.

(d) District 4 consists of Ventura County.

(e) District 5 consists of Counties of Santa Barbara, San Luis Obispo, Kern, Tulare and all other counties of the state where avocados are produced not included in Districts 1, 2, 3, or 4.

The boundaries of any district may be changed by a two-thirds vote of the commission.

67030. "Handle" means to engage in the business of a handler as herein defined.

67031. "Handler" means any person engaged, within this state, as a distributor in the business of distributing avocados or any person engaged as a processor in the business of processing avocados, and employees thereof so engaged.

67032. "Independent handler" means a handler who handles fruit only for an independent producer or grower.

67033. "Independent producer or grower" is a grower not affiliated with any nonprofit cooperative organization.

67034. "Marketing research" means any research relating to the sale of avocados.

67035. "Marketing season" or "fiscal year" means the period beginning November 1 of any year and extending through the last day of October of the following year.

67036. "Nonprofit cooperative association" or "cooperative" means any corporation which is organized pursuant to Chapter 1 (commencing with Section 54001) of Division 20.

67037. "Processor" means any person engaged, within this state, in any of the activities with respect to avocados as set forth in Section 58619.

67038. "Process" means to engage in the business of a processor.

67039. "Producer" or "grower" means any person who is engaged, within this state, in the business of producing, or causing to be produced for market, avocados.

67040. "Production research" means any research related to the production of avocados other than marketing research.

Article 3. The California Avocado Commission

67051. There is in the state government the California Avocado Commission. The commission shall be composed of 10 avocado producers who are not handlers, four avocado handlers, and one public member. Five producers, one from each district, shall be elected by and from producers not affiliated with any cooperative handling avocados. The other five producers, one from each district, shall be elected by and from producers affiliated with any cooperative handling avocados. Two handlers shall be elected by and from, handlers who are not within any cooperative handling avocados. The other two handlers shall be elected by and from cooperatives handling avocados.

Initially, the public member shall be elected on the commission within 90 days after the first meeting of the commission, by the majority vote of the producers and handlers on the commission, from not less than five nominees recommended by the Director of Consumer Affairs. Thereafter, the public member shall be elected by a majority vote of the producers and handlers on the commission in the same manner at the first meeting of the commission after the office of the public member is vacant.

The Director of Food and Agriculture shall be a nonvoting ex officio member of the commission.

67051.5. The director may require the commission to correct or cease any activity or function which is determined by the director not to be in the public interest or is in violation of this chapter.

If the commission refuses or fails to cease such activities or functions or to make such corrections as required by the director, the director may, upon written notice, suspend all or a portion of the activities of the commission until such time that the cessation or correction of activities or functions as required by the director have been accomplished.

Any written notice, to cease any such activity which is the subject of a contract of the commission entered into by the commission prior to such notice, shall not be effective until after the period of notice for termination provided in such contract or 120 days, whichever is shorter.

Upon service of the written notice, the director shall notify the commission in writing, of the specific acts which he determines are not in the public interest or are in violation of this chapter.

67051.6. Either party may bring an action for judicial relief in a court of competent jurisdiction, which may issue a temporary restraining order, permanent injunction, or other applicable relief.

67052. Each member on the commission, except the ex officio member, shall have an alternate member, to be elected in the same manner as the member. An alternate member shall in the absence of the member for whom he is alternate, sit in place of the member on the commission, and shall have, and be able to exercise, all the rights, privileges, and powers of the member when sitting on the commission. In the event of death, removal, resignation, or the disqualification of a member, the alternate shall act as a member on the commission until a successor is elected and has qualified.

67053. Any vacancy on the commission occurring by the failure of any person elected to the commission as a member or alternate member to continue in his position due to a change in status making him ineligible to serve, or through death, removal, or resignation, shall be filled, for the unexpired portion of the term, by the commission by majority vote; provided, however, that such member shall fulfill all the qualifications set forth in this article as required for the member whose office he is to fill. Qualification of any member on the commission to fill vacancies shall be certified, in writing, by the director.

67054. Producer members and their alternates on the commission shall have a financial interest in producing, or causing to be produced, avocados for market.

Handler members or their alternates shall have a financial interest in handling avocados for markets.

Except for the election of another public member, the public member or his alternate on the commission, shall have all the powers, rights, and privileges of any other member on the commission. He shall not have any financial interest in the avocado industry.

67055. The term of office of all commissioners, except the ex officio member, shall be for two years from the date of their election and until their successors are qualified; provided, however, that of the first members of the commission from each district, one shall serve for one year, and one shall serve for two years, with the determination of term of each such member to be made by lot. The same selection procedure shall apply to the two cooperative and two independent handler members. Terms of office of each commissioner shall be limited to four consecutive terms.

67056. The commission shall be and is hereby declared and created a corporate body. It shall have the power to sue and be sued, to contract and be contracted with, and to have and possess all of the powers of a corporation. It shall adopt a corporate seal. Copies of its proceedings, records, and acts, when certified by its secretary and authenticated with the corporate seal, shall be admissible in evidence in all courts of the state, and shall be prima facie evidence of the truth of all statements therein.

67057. The commission may appoint its own officers, including a chairman, one or more vice chairmen, and such other officers as it deems necessary. The officers shall have the powers and duties as may be delegated to them by the commission.

67058. The commission shall have the power to appoint committees composed of both commissioners and nonmembers of the commission to advise the commission in carrying out the provisions of this chapter.

67059. A quorum of the commission shall be any 11 voting commissioners. The vote of a majority of members present at a meeting at which there is a quorum shall constitute the act of the commission.

67059.5. The director or his representatives shall be notified and may attend each meeting of the commission.

67060. No commissioner or member of the committee who is a nonmember of the commission shall receive a salary. Each commissioner, except the ex officio member, and each member of the committee who is a nonmember of the commission shall receive a sum of not to exceed one hundred dollars ($100) per day, as established by the commission, for each day spent in actual attendance on, or in traveling to and from, meetings of the commission or committees of the commission, or on special assignment for the commission, approved by the commission, together with the necessary traveling expenses and meal allowances, as approved by the commission.

67061. All moneys received by any person from the assessments levied under the authority of this chapter or otherwise received by the commission, shall be deposited in such banks as the commission may designate and shall be disbursed by order of the commission through such agent or agents as it may designate for that purpose. Any such agent or agents shall be bonded by a fidelity bond, executed by a surety company authorized to transact business as such in the

State of California, in favor of the commission, conditioned upon the faithful performance of his duties, and in addition, as to any such agent, the strict accounting of all funds of the commission in the penal sum of not less than five hundred thousand dollars ($500,000).

67062. The state shall not be liable for the acts of the commission or its contracts. Payment of all claims arising by reason of the administration of this chapter or acts of the commission shall be limited to the funds collected by the commission. No member of the commission or alternate member, or any employee or agent thereof, shall be personally liable on the contracts of the commission nor shall a commissioner, alternate member, or employee of such commission be responsible individually in any way to any producer or handler or any other person for error in judgment, mistakes, or other acts, either of commission or omission, as principal, agent, or employee, except for his own individual acts of dishonesty or crime. No commissioner or alternate member shall be held responsible individually for any act or omission of any member of such commission. The liability of the commissioners shall be several and not joint, and no commissioner shall be liable for the default of any other commissioner.

Article 4. Voting Procedures

67081. Within 90 days after January 1, 1978, the director shall establish a list of producers in each district. In establishing such lists, the director shall require that handlers in the state submit the names, mailing addresses, district numbers, and handled volume of each producer from whom they purchased or handled avocados for in the last preceding marketing season. The request for such information from the handlers shall be in writing. Such list of producers shall be filed by the handlers within 90 days following receipt of such written notice.

Any producer of avocados, whose name does not appear upon the director's list of producers affected, may have his name established on such list by filing with the commission a signed statement, identifying himself as a producer. Failure to be on such list does not exempt the producer from paying assessments under this chapter.

67082. Subsequent to the first election under this chapter, the commission shall compile and maintain a list of qualified producers and shall, at least 90 days prior to the date set for any meeting for nomination to the office of commissioner, certify such list to the director, and such list shall constitute the list of producers qualified to vote in any such election. All handlers shall be required to submit to the commission the names and addresses of any new producer from whom they receive avocados within 90 days after receiving such avocados.

Upon establishment of the list of producers, the director shall call meetings of producers in each district for the purpose of nominating and electing persons on the commission. All producers on the

director's list shall be given written notice of the election meetings at least 15 days prior to meeting date. At each district meeting for the nomination and election of members, the director, or a representative authorized by him, shall preside. Such representative shall prepare a written roster of those members present. He shall appoint a committee of not less than three producer members of the district to act as a certifying committee to authenticate the right to vote of each member on the written roster. The director, or his representative, shall then open nominations for regular member of the commission. Once nominations have closed, he shall conduct an election. In the event of a single nomination, that person shall be declared elected. Once the member has been elected, the director shall take nominations and proceed with election for the alternate member in the same manner as for the member. In the event of a tie vote, the names of the two nominees shall be submitted to the director, who shall determine which nominee shall be elected as commissioner with the other nominee to serve as alternate member. In the event of such tie vote in the election for a member, no nomination or election of alternate commission member shall be required. Nonreceipt of notice of a meeting for the nomination and election of commissioners shall not invalidate any such meeting, nomination, or election.

67083. The election of handler members shall be called by written notice from the director at least 15 days prior to election. The director or his representative shall conduct the election of handler members in the manner prescribed in Section 67082 for producer member. At such election meeting, only cooperative handlers may nominate and vote for cooperative members and alternate members on the commission. Only independent handler members may vote for independent members and alternate members on the commission.

Article 5. Duties and Powers of the Commission

67091. The powers and duties of the commission shall include, but not be limited to, all of the following:

(a) To adopt, and from time to time alter, rescind, modify and amend all proper and necessary rules, regulations, and orders for carrying out the provisions of this chapter and for exercising its powers and the performance of its duties, including rules for regulation of appeals from any rule, regulation, or order of the commission.

(b) To administer and enforce this chapter, and to do and perform all acts and exercise all powers incidental to or in connection with or deemed reasonably necessary, proper or advisable to effectuate the purposes of this chapter.

(c) To employ a manager, to serve, at the pleasure of the commission, as president and chief executive officer of the commission and other personnel, including legal counsel, that is

necessary to carry out the provisions of this chapter.

67092. The powers or duties of the commission shall also include the following:

(a) To establish offices and incur expense, and to enter into any and all contracts and agreements, and to create such liabilities and borrow such funds in advance of receipt of assessments as may be necessary, in the opinion of the commission, for the proper administration and enforcement of this chapter and the performance of its duties.

(b) To keep accurate books, records and accounts of all of its dealings, which books, records and accounts shall be subject to an annual private audit by an auditing firm approved by the Department of Finance, and, in addition, the Department of Finance may by itself audit such books, records, and accounts, at any time. Such audit shall be made a part of an annual report to all producers and handlers of avocados, copies of which shall also be submitted to the Legislature. In addition, the director may, as he determines necessary, conduct, or cause to be conducted, a fiscal and compliance audit of the commission.

(c) To promote the sale of avocados by advertising and other promotional means for the purpose of maintaining and expanding present markets and creating new and larger intrastate, interstate, and foreign markets for avocados and to educate and instruct the public with respect to avocados and the uses and time to use the several varieties and the healthful properties and nutritional value of avocados.

(d) To enter into cost-sharing advertising with other products considered, by the commission, to be fair and equitable to both parties.

67093. The powers or duties of the commission shall also include the following:

(a) In the discretion of the commission, to educate and instruct the wholesale and retail trade with respect to proper methods of handling and selling avocados; to arrange for the performance of dealer service work providing display and other promotional materials; to make market surveys and analyses; to present facts to and negotiate with state, federal, and foreign agencies on matters which affect the marketing of avocados; and to undertake any other activities which the commission may determine appropriate for the maintenance and expansion of present markets and the creation of new markets for avocados.

(b) In the discretion of the commission, to make, in the name of the commission, contracts to render service in formulating and conducting plans and programs, and such other contracts or agreements as the commission may deem necessary for the promotion of the sale of avocados.

(c) In the discretion of the commission, to conduct, and contract with others to conduct, scientific research, including the study, analysis, dissemination, and accumulation of information obtained

from such research or elsewhere respecting the marketing and distribution of avocados. In connection with such research, the commission shall have the power to accept contributions of, or to match, private, state or federal funds that may be available for such purposes, and to employ or make contributions of funds to other persons or state or federal agencies conducting such research.

(d) In the discretion of the commission, to publish and distribute, without charge, a bulletin or other communication for dissemination of information relating to the avocado industry to producers and handlers.

Article 6. Assessments and Records

67101. The commission shall, not later than November 1 of each year, determine the assessment for the following 12 months beginning November 1st and ending October 31st. The commission shall establish an assessment that in no event shall exceed 6½ percent of the gross dollar value of the year's sales of avocados by all producers to handlers. Expenditures for administrative purposes within the maximum assessment shall not exceed 2½ percent of the gross dollar value of sales of avocados by all producers to handlers. Assessments provided for in this section shall be upon the producer. The handler shall deduct such assessment from amounts paid by him to the producer and shall be a trustee of such funds until they are paid to the commission at the time and in the manner prescribed by the commission.

In no event shall the combined assessment of the commission and any state marketing order exceed 6½ percent of the gross value of the year's sales of avocados by all producers to handlers.

67102. The provisions of this chapter do not apply to avocados produced only for the producer's home use or where the avocado trees are used only for ornamental purposes; provided, however, that such producer shall file an affidavit with the commission establishing that his avocados are not produced for commercial purposes. In any event, no production of avocados in excess of 1,000 pounds per year is exempt from the assessment under this article.

67103. Every handler shall keep a complete and accurate record of all avocados shipped by him and the name of the producer whose avocados were shipped. Such records shall be in simple form and contain such information as the commission shall prescribe. Such records shall be preserved by the handler for a period of two years and shall be offered and submitted for inspection at any reasonable time upon written demand of the commission or its duly authorized agent.

67104. All the information obtained by the commission from handlers shall be confidential and shall not be disclosed except when required in a judicial proceeding. The information on volume shipments, crop value, and any other such information which is required for reports to Market News Service, financial reports to the

commission, and any other such information which the handlers request from the commission to receive in total, excluding individual handler information, may be disclosed by the commission.

67105. All such assessments shall be paid to the commission by the handler first handling avocados. Every handler shall be primarily and personally liable for the payment of any such assessment, and failure of the handler to collect the assessment from any producer shall not exempt any handler from such primary liability. Any handler who fails to file a return or pay any assessment within the time required shall pay to the commission a penalty of 10 percent of the amount of such assessment determined to be due, and, in addition, 1½-percent interest per month on the unpaid balance.

67106. Prior to the vote conducted by the director pursuant to Section 66601, the proponents of the commission shall deposit with the director such amount as the director may deem necessary to defray the expenses of preparing the necessary lists and information and conducting such vote. Such funds shall be received, deposited, and disbursed in the same manner as provided in Section 58961.

67107. The commission shall reimburse the director for all expenditures incurred by the director carrying out his duties and responsibilities under this chapter, except for the expenses incurred for any action under Section 67051.6.

Article 7. Actions and Penalties

67111. It shall be a misdemeanor for any person to do any of the following:

(a) Willfully to render or furnish a false report, statement, or record required by the commission.

(b) When engaged in the shipping of avocados or in the wholesale or retail trade of avocados, to fail or refuse to furnish to the commission or its duly authorized agents, upon request, information concerning the name and address of the persons from whom he has received avocados and the quantity so received.

(c) Secrete, destroy, or alter records required to be kept under the provisions of this chapter.

67112. The commission shall adopt regulations for the purpose of according individuals aggrieved by its actions or determinations an informal hearing before the commission, or before a committee of the commission designated for such purpose One member of the commission, or the committee of the commission, shall serve as clerk of the hearing, and shall keep a written record of appearances at the hearing, documents filed, and a summary of oral presentations. The determination made at such hearing shall be communicated in writing by the clerk to the participants in the hearing. Appeals from decisions the commission made after such hearing, may be made to the director, who shall sustain the position of the commission, if he determines that it is supported by substantial evidence and was not an abuse of discretion or the result of improper procedures. The

determination of the director shall be subject to judicial review upon petition filed with the appropriate superior court. The commission shall be empowered to commence civil actions and to utilize all remedies provided in law or equity for the collection of assessments and civil penalties, and for the obtaining of injunctive relief or specific performance, respecting the provisions of this chapter and the rules and regulations adopted under this chapter. Venue for such actions may be established at the domicile or place of business of the defendant or in the county of the principal office of the commission. The commission may be sued only in the county of its principal office. All documents required to be executed by the commission, for the purpose of legal action or otherwise, shall be effective if executed by the chairman and the manager or three members of the commission designated by the commission to so act.

Article 8. Implementation, Continuation, or Suspension and Termination

67121. The provisions of this chapter, except as necessary to conduct such vote, shall not become operative until the director finds, in a referendum conducted by the director in which at least 40 percent of the total number of producers, from the list established by the director, producing at least 40 percent of the total volume of avocados marketed during the last completed marketing season participate, one or more of the following:

(a) That not less than 65 percent or more of the producers certified by the director who voted in such referendum, voted in favor of the provisions of this chapter, and that such producers so voting marketed 51 percent or more of the total quantity of avocados marketed in the preceding marketing season by all of the producers who voted in such referendum.

(b) That 51 percent or more of such producers who voted in such referendum voted in favor of the provisions of this chapter and that such producers so voting marketed 65 percent or more of the total quantity of avocados marketed in the preceding marketing season by all of the producers who voted in such referendum.

67121.5. In finding whether the commission is assented to in writing or approved or favored by producers pursuant to the provisions of this article, the vote of any nonprofit agricultural cooperative marketing association, which is authorized by its members so to assent, shall be considered as being the assent, approval, or favor of the producers that are members of, or stockholders in, such nonprofit agricultural cooperative marketing association.

67122. The director shall establish a period in which to conduct such referendum which shall not be less than 10 days nor more than 60 days in duration, and may prescribe such additional procedure as may be necessary to conduct such referendum.

67123. Nonreceipt of a ballot shall not invalidate such a

referendum.

67124. If the director finds that such favorable vote has been given as provided in Section 67122, he shall certify and give notice of such favorable vote by publication in a newspaper of general circulation in each district in accordance with Section 6066 of the Government Code, and shall mail a copy of such notice to all producers and handlers whose names and addresses may be on file with the director. All provisions of this chapter shall become operative upon completion of such publication and before 15 days after such certification by the director.

67125. If the director finds that such assent has not been given as provided in Section 67121, he shall so certify and declare all provisions of this chapter inoperative.

67126. Prior to the holding of the referendum, sureties shall have posted a bond or security, acceptable to the director, in an amount which the director shall determine to be sufficient to pay the cost of the referendum should such election determine that the operation of this chapter is to be suspended.

Article 9. Continuation and Suspension and Termination

67131. Between November 1, 1980, and October 31, 1981, the director shall cause a referendum to be conducted by the commission among producers in the manner prescribed in Section 67121 to determine whether the operations of the provisions of this chapter shall be reapproved and continued effective. If the director finds that a favorable vote has been given, he shall so certify and all provisions of this chapter shall remain effective. If the director finds that a favorable vote has not been given, he shall so certify and declare the operation of the provisions of this chapter and the commission suspended upon the expiration of the current marketing season ending October 31, 1981. Thereupon, the operations of the commission shall be wound up and funds distributed in the manner provided in Section 67133. No bond or security shall be required for any such referendum. Following the referendum conducted prior to October 31, 1981, a referendum shall be conducted by the director every fifth year thereafter between November 1st and February 1st.

A vote of any nonprofit agricultural cooperative association, which is authorized by its members to vote in favor of suspension, shall be considered as being the vote in favor of suspension by the producers that are members of, or stockholders in, such nonprofit agricultural cooperative market association.

67132. Upon the finding of 11 of the members of the commission that the operation of the provisions of this chapter has not tended to effectuate its declared purposes, the commission may recommend to the director that the operation of this chapter shall be suspended; provided, that any such suspension shall not become effective until the expiration of the current marketing season. The director shall, upon receipt of such recommendation, or upon a petition filed with

him requesting such suspension, signed by 15 percent of the producers by number who produced not less than 15 percent of the volume in the immediately preceding year, cause a referendum to be conducted among the listed producers to determine if such operation and the operations of the commission shall be suspended, and shall establish a referendum period, which shall not be less than 10 nor more than 60 days in duration. The director is authorized to prescribe such additional procedure as may be necessary to conduct such a referendum. At the close of the established referendum period, the director shall tabulate the ballots filed during such period. If at least 40 percent of the total number of producers, on a list established by the director marketing 40 percent of the total volume marketed by all producers during the last completed marketing season, participate in the referendum, the director shall suspend the operation of this chapter upon the expiration of the current marketing season, if he finds either one of the following:

(a) Sixty-five percent or more of the producers who voted in the referendum voted in favor of such suspension, and the producers so voting marketed 51 percent or more of the total quantity of avocados marketed in the preceding marketing season by all of the producers who voted in the referendum.

(b) That 51 percent or more of the producers who voted in the referendum voted in favor of such suspension, and that the producers so voting marketed 65 percent or more of the total quantity of avocados marketed in the preceding season by all of the producers who voted in the referendum.

67133. After the effective date of suspension of the operation of the provisions of this chapter and of the commission, the operations of the commission shall be wound up and any and all moneys remaining held by the commission, collected by assessment and not required to defray the expenses of winding up and terminating operations of the commission, shall be returned upon a pro rata basis to all persons from whom assessments were collected in the immediately preceding current marketing season; provided, further, however, that if the commission finds that the amounts so returnable are so small as to make impractical the computation and remitting of such pro rata refund to such persons, any such moneys remaining and any moneys remaining after payment of all expenses of winding up and terminating operations shall be withdrawn from the approved depository and paid into the State Treasury as unclaimed trust moneys.

67134. Upon suspension of the operation of this chapter and of the commission, a notice of this shall be posted on a public bulletin board to be maintained by the director in his office, and a copy of such notice shall be published in a newspaper of general circulation in each district. Also the commission shall mail a copy of the notice of suspension to all producers and handlers affected by such suspension whose names and addresses are on file.

SEC. 2. Notwithstanding Section 2231 of the Revenue and

Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local governmental entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 570

An act to amend Sections 33154, 41373, 41602, 51769, and 58608 of the Education Code, and to amend Section 41601 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, relating to education.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 33154 of the Education Code is amended to read:

33154. The Superintendent of Public Instruction shall prepare a report containing the information computed pursuant to subdivision (b) of Section 33153, and submit it to the Legislature no later than June 15 of each calendar year. Upon request of the governing body of a school district, including a district specified in subdivision (a) of Section 33150, he shall transmit a copy of the report to the district.

SEC. 2. Section 41373 of the Education Code is amended to read:

41373. The Superintendent of Public Instruction shall, no later than April 15 of each calendar year, submit to the Legislature a written report on the operation, effect, and the extent of compliance with the provisions of Section 41372 by school districts in the state during the two most recently ended fiscal years. The report shall describe the activities of the Superintendent of Public Instruction, the Department of Education, and the several county superintendents of schools undertaken to insure compliance with the provisions of Section 41372, and may contain recommendations for legislation pertaining to that subject.

SEC. 3. Section 41601 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

41601. For the purposes of this chapter, the governing board of each school district shall report to the Superintendent of Public Instruction during each fiscal year the average daily attendance of the district for all full school months during (1) the period between July 1st and December 31st, inclusive, to be known as the "first period" report for the first principal apportionment, and (2) the period between July 1st and April 15th, inclusive, to be known as the

"second period" report for the second principal apportionment. The county superintendent of schools shall report the average daily attendance for the schools and classes maintained by him and the average daily attendance for the county school tuition fund. If the average daily attendance in the district or in schools and classes maintained by the county superintendent of schools for the period of time between July 1st and June 30th is greater or lesser than the average daily attendance reported for the second period report, the appropriate increases and decreases in the several categories of attendance for which separate foundation programs are required to be computed shall be recomputed on the basis of the foundation program and assessed valuation of the fiscal year in which such increases and decreases in average daily attendance were applicable and the appropriate increases and decreases in apportionments shall be added or withheld in the next succeeding fiscal year pursuant to Section 41341.

Each report shall be prepared in accordance with instructions on forms prescribed and furnished by the Superintendent of Public Instruction and average daily attendance shall be computed in the following manner:

(a) The average daily attendance in the regular elementary, junior high, and high schools, including continuation schools and classes and opportunity schools and classes, maintained by the school districts shall be determined by dividing the total number of days of attendance allowed in all full school months in each period, by the number of days such schools are actually taught in all full school months in each period, exclusive of Saturdays or Sundays.

(b) The average daily attendance in summer school and outdoor science and conservation education classes maintained during the period between the last day the regular day schools are in session during the preceding year and the first day the regular day schools are in session during the current year shall be reported on both the first period and second period reports. Such average daily attendance shall be computed by dividing the days of attendance allowed by 175.

(c) The attendance for schools and classes maintained by the county superintendent of schools and the county school tuition fund shall be reported in the same manner as reported by school districts. The average daily attendance of the school, shall be determined by dividing the total number of days of attendance in all full school months in the first period by a divisor of 70, in the second period by 135 and at annual time by 175.

(d) The days of attendance in classes for adults and regional occupational centers programs shall be reported in the same manner as all other attendance under subdivision (a) or (b). The average daily attendance in such schools and classes shall be determined by dividing the total number of days of attendance in all full school months in the first period by a divisor of 70, in the second period by 135 and at annual time by 175.

SEC. 4. Section 41602 of the Education Code is amended to read:

41602. The governing board of a school district affected by fluctuations in enrollments and attendance levels to a degree which will, in all likelihood, result in an actual total of average daily attendance for the fiscal year in excess of that shown in the second period report for the second principal apportionment provided for in Section 41601, may, with the approval of the Superintendent of Public Instruction, submit, in lieu of such second period report, a report of the estimated total average daily attendance for the fiscal year. The report shall be in the form prescribed by the Superintendent of Public Instruction, and shall be utilized for purposes of the second principal apportionment. If the average daily attendance of a district for the period of time between July 1 and June 30 exceeds the estimated total average daily attendance reported under this section, the appropriate increases and decreases in the several categories of attendance for which separate foundation programs are required to be computed shall be brought forward to the corresponding categories of the second period report for the next succeeding fiscal year. In the event the estimated total average daily attendance reported under this section exceeds the actual average daily attendance for the fiscal year, the Superintendent of Public Instruction shall withhold, pursuant to Section 41341, from apportionments made during the succeeding fiscal year, the amount of the excess moneys which may have been apportioned as a result thereof.

SEC. 5. Section 51769 of the Education Code is amended to read:

51769. Notwithstanding any provisions of this code or the Labor Code to the contrary, the school district, county superintendent of schools, or any school administered by the State Department of Education under whose supervision work experience education, or occupational training classes held in the community, as defined by regulations adopted by the State Board of Education, are provided shall be considered the employer under Division 4 (commencing with Section 3200) of the Labor Code of persons receiving such training unless such persons during such training are being paid a cash wage or salary by a private employer, or unless the person or firm under whom such persons are receiving work experience or occupational training elects to provide workers' compensation insurance. Whenever such work experience education, or occupational training classes held in the community, are under the supervision of a regional occupational center or program operated by two or more school districts pursuant to Section 52301 of the Education Code, the district of residence of the persons receiving such training shall be deemed the employer for the purposes of this section.

SEC. 6. Section 58608 of the Education Code is amended to read:

58608. This chapter shall have no force or effect after September 1, 1981.

SEC. 7. In order to effect the transition to the attendance

reporting period required by this act with a minimal of change in the apportionments to districts and county superintendents, the State Superintendent of Public Instruction shall require that (a) county superintendents shall report the county school service fund second period attendance for 1978–79, in two overlapping periods. The first shall be for the period April 15, 1978, through the last school month ending on or before April 15, 1979, and the second shall be for the period from July 1, 1978, through the last month ending on or before April 15, 1979; (b) school districts when reporting attendance for continuation high schools and classes, opportunity schools and classes, regional occupational centers and programs and classes for adults shall report for the same overlapping periods required in (a) of this section.

For purposes of the 1978–79 second principal apportionment, the attendance reports for the period April 15, 1978, through April 15, 1979, shall be used by the Superintendent of Public Instruction for apportionment purposes.

For purposes of the recalculation of the 1978–79 second principal apportionment, second principal documents for the period July 1, 1978, through April 15, 1979, shall be utilized to compare to the annual attendance reports for the period July 1, 1978, through June 30, 1979, to determine any adjustments to the 1978–79 principal apportionment.

CHAPTER 571

An act to add Section 4104 to the Food and Agricultural Code, relating to the California Museum of Science and Industry.

[Approved by Governor September 2, 1977 Filed with Secretary of State September 3, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 4104 is added to the Food and Agricultural Code, to read:

4104. The Legislature hereby finds and declares that there is a need for a state repository dedicated to the diverse contributions of Afro-Americans to the history and culture of this state and the nation.

There is in the California Museum of Science and Industry the California Museum of Afro-American History and Culture.

The California Museum of Afro-American History and Culture shall be governed by a seven-member advisory board. The Governor shall appoint four such members, at least two of whom shall reside within the boundaries of the 6th Agricultural District and the Senate Rules Committee, the Speaker of the Assembly, and the Board of Directors of the California Museum of Science and Industry shall each appoint one member. The Senate Rules Committee shall

appoint the Senator representing the legislative district in which the California Museum of Science and Industry is located and the Speaker of the Assembly shall appoint the Assemblyman representing the legislative district in which the California Museum of Science and Industry is located. The Senator and Assemblyman shall meet with the board and participate in its activities to the extent that such participation is not incompatible with their respective positions as Members of the Legislature.

The advisory board shall appoint an executive director, who shall be exempt from civil service, and any necessary staff to carry out the provisions of this section, who shall be subject to the State Civil Service Act (commencing with Section 18500 of the Government Code). The California Museum of Afro-American History and Culture may accept grants, contributions, and appropriations from federal, state, local, or private sources for its operation.

The California Museum of Afro-American History and Culture shall preserve, collect, and display samples of Afro-American contributions to the arts, science, religion, education, literature, entertainment, politics, sports and history of the state and the nation. The enrichment and historical perspective of such a collection shall be made available for public use and enjoyment. The museum may contract with any institution or private nonprofit organization it deems appropriate and qualified to assist in the operation of the museum.

CHAPTER 572

An act to amend Section 1909 of the Education Code, relating to special schools and classes.

[Approved by Governor September 2, 1977 Filed with Secretary of State September 3, 1977.]

The people of the State of California do enact as follows:

SECTION. 1. Section 1909 of the Education Code is amended to read:

1909. The provisions of this article shall be applicable only to Santa Barbara County, Riverside County and Marin County.

CHAPTER 573

An act to amend Section 19702 of the Government Code, relating to state civil service.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 19702 of the Government Code is amended to read:

19702. (a) A person shall not be discriminated against under this part because of sex, race, religious creed, color, national origin, ancestry, marital status, or physical handicap unless it can be shown that the particular handicap is job related.

(b) As used in this section, "physical handicap" includes, but is not limited to, impairment of sight, hearing, or speech, or impairment of physical ability because of amputation or loss of function or coordination, or any other health impairment which requires special education or related services.

(c) As used in this section, "physical handicap" shall not include obesity or any other health impairment caused by such person's obesity.

CHAPTER 574

An act to amend Section 432.7 of the Labor Code, and to add and repeal Chapter 2.7 (commencing with Section 1001) to Title 6 of Part 2 of the Penal Code, relating to pretrial diversion, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 432.7 of the Labor Code is amended to read:

432.7. (a) No employer whether a public agency or private individual or corporation shall ask an applicant for employment to disclose, through any written form or verbally, information concerning an arrest or detention which did not result in conviction, or information concerning a referral to and participation in any pretrial or posttrial diversion program, nor shall any employer seek from any source whatsoever, or utilize, as a factor in determining any condition of employment including hiring, promotion, termination, or any apprenticeship training program or any other training program leading to employment, any record of arrest or detention which did not result in conviction, or any record regarding a referral to and participation in any pretrial or posttrial diversion program. As used in this section, a conviction shall include a plea, verdict, or finding of guilt regardless of whether sentence is imposed by the court. Nothing in this section shall prevent an employer from asking an employee or applicant for employment about an arrest for which the employee or applicant is out on bail or on his or her own

recognizance pending trial.

(b) In any case where a person violates any provision of this section, or Article 6 (commencing with Section 11140) of Chapter 1 of Title 1 of Part 4 of the Penal Code, the applicant may bring an action to recover from such person actual damages or two hundred dollars ($200), whichever is greater, plus costs, and reasonable attorney's fees. An intentional violation of this section shall entitle the applicant to treble actual damages, or five hundred dollars ($500), whichever is greater, plus costs, and reasonable attorney's fees. An intentional violation of this section is a misdemeanor punishable by a fine not to exceed five hundred dollars ($500).

(c) The remedies under this section shall be in addition to and not in derogation of all other rights and remedies which an applicant may have under any other law.

(d) Persons seeking employment as peace officers or for positions in law enforcement agencies with access to criminal offender record information or for positions with the Division of Law Enforcement of the Department of Justice are not covered by this section.

(e) Nothing in this section shall prohibit an employer at a health facility, as defined in Section 1250 of the Health and Safety Code, from asking an applicant for employment either of the following:

(1) With regard to an applicant for a position with regular access to patients, to disclose an arrest under any section specified in Section 290 of the Penal Code.

(2) With regard to an applicant for a position with access to drugs and medication, to disclose an arrest under any section specified in Section 11590 of the Health and Safety Code.

(f) (1) No peace officer or employee of a law enforcement agency with access to criminal offender record information maintained by a local law enforcement criminal justice agency shall knowingly disclose, with intent to affect a person's employment, any information contained therein pertaining to an arrest or detention or proceeding which did not result in a conviction, including information pertaining to a referral to and participation in any pretrial or posttrial diversion program, to any person not authorized by law to receive such information.

(2) No other person authorized by law to receive criminal offender record information maintained by a local law enforcement criminal justice agency shall knowingly disclose any information received therefrom pertaining to an arrest or detention or proceeding which did not result in a conviction, including information pertaining to a referral to and participation in any pretrial or posttrial diversion program, to any person not authorized by law to receive such information.

(3) No person, except those specifically referred to in Section 1070 of the Evidence Code, who knowing he or she is not authorized by law to receive or possess criminal justice records information maintained by a local law enforcement criminal justice agency, pertaining to an arrest or other proceeding which did not result in

a conviction, including information pertaining to a referral to and participation in any pretrial or posttrial diversion program, shall receive or possess such information.

(g) "A person authorized by law to receive such information", for purposes of this section, means any person or public agency authorized by a court, statute, or decisional law to receive information contained in criminal offender records maintained by a local law enforcement criminal justice agency, and includes, but is not limited to, those persons set forth in Section 11105 of the Penal Code, and any person employed by a law enforcement criminal justice agency who is required by such employment to receive, analyze, or process criminal offender record information.

(h) Nothing in this section shall require the Department of Justice to remove entries relating to an arrest or detention not resulting in conviction from summary criminal history records forwarded to an employer pursuant to law.

(i) As used in this section, "pretrial or posttrial diversion program" means any program under Chapter 2.5 (commencing with Section 1000) or Chapter 2.7 (commencing with Section 1001) of Title 6 of Part 2 of the Penal Code, Section 13201, 13201.5 or 13352.5 of the Vehicle Code, or any other program expressly authorized and described by statute as a diversion program.

SEC. 2. Chapter 2.7 (commencing with Section 1001) is added to Title 6 of Part 2 of the Penal Code, to read:

CHAPTER 2.7. DIVERSION

1001. It is the intent of the Legislature that neither this chapter, Chapter 2.5 (commencing with Section 1000) of this title, nor any other provision of law be construed to preempt other current or future pretrial or precomplaint diversion programs. It is also the intent of the Legislature that current or future posttrial diversion programs not be preempted, except as provided in Section 13201, 13201.5, or 13352.5 of the Vehicle Code. Sections 1001.2 to 1001.11, inclusive, of this chapter shall apply only to pretrial diversion programs as defined in Section 1001.1 herein.

1001.1. As used in Sections 1001.2 to 1001.11, inclusive, of this chapter, pretrial diversion refers to the procedure of postponing prosecution either temporarily or permanently at any point in the judicial process from the point at which the accused is charged until adjudication.

1001.2. This chapter shall not apply to any pretrial diversion or posttrial programs for the treatment of problem drinking or alcoholism utilized for persons convicted of one or more offenses under Section 23102 of the Vehicle Code or to pretrial diversion programs established pursuant to Chapter 2.5 (commencing with Section 1000) of this title.

1001.3. At no time shall a defendant be required to make an admission of guilt as a prerequisite for placement in a pretrial

diversion program.

1001.4. A divertee is entitled to a hearing, as set forth by law, before his or her pretrial diversion can be terminated for cause.

1001.5. No statement, or information procured therefrom, made by the defendant in connection with the determination of his or her eligibility for diversion, and no statement, or information procured therefrom, made by the defendant subsequent to the granting of diversion or while participating in such program, and no information contained in any report made with respect thereto, and no statement or other information concerning the defendant's participation in such program shall be admissible in any action or proceeding. However, if a divertee is recommended for termination for cause, information regarding his or her participation in such program may be used for purposes of the termination proceedings.

1001.6. At such time that a defendant's case is diverted, any bail bond or undertaking, or deposit in lieu thereof, on file by or on behalf of the defendant shall be exonerated, and the court shall enter an order so directing.

1001.7. If the divertee has performed satisfactorily during the period of diversion, the criminal charges shall be dismissed at the end of the period of diversion.

1001.8. Any record filed with the Department of Justice shall indicate the disposition of those cases diverted pursuant to this chapter.

1001.9. Upon successful completion of a diversion program, the arrest upon which the diversion was based shall be deemed to have never occurred. The divertee may indicate in response to any question concerning his or her prior criminal record that he or she was not arrested or diverted for such offense. A record pertaining to an arrest resulting in successful completion of a diversion program shall not, without the divertee's consent, be used in any way which could result in the denial of any employment, benefit, license, or certificate.

1001.10. A county or city which operates a diversion program, pursuant to this chapter, shall report to the Legislature annually regarding the implementation, administration and operation of such program. Such report shall include but not be limited to the following: the date the program commenced; the program's general eligibility criteria for divertees; the name of the county or other agency or agencies which established such eligibility criteria; other criteria or standards established for the program; the offense charged against the divertee; the number of individuals referred to the program; the number of individuals accepted by the program; the reasons for not accepting individuals referred to the program; the specific program completed by each successful divertee; the number of successful and unsuccessful terminations; the reason for unsuccessful termination; and the funding sources for the diversion organization. At no time shall the names, addresses, or other identifying information of the referred or participating divertees be

used in these reports.

1001.11. This chapter shall remain in effect until January 1, 1980, and on such date is repealed. However, if at the time this chapter is repealed a defendant has already been referred to and accepted by a diversion program or if a defendant is then participating in such a program, that defendant shall be allowed to continue in and complete such program.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

The status of existing local pretrial diversion programs has been placed in doubt by an Attorney General opinion stating that these programs have no statutory basis for existence and that the Legislature has preempted the subject. Consequently, some programs have had their funding held up and for others the district attorney's office is hesitant to cooperate with proposed or current programs.

CHAPTER 575

An act to add Section 1916.6 to the Civil Code, relating to mortgages.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 1916.6 is added to the Civil Code, to read:

1916.6. A security document, or evidence of debt issued in connection therewith, executed pursuant to Section 1916.5 may provide that the rate of interest shall not change until five years after execution of such document or documents, and not more frequently than every five years thereafter. In every security document, or evidence of debt issued in connection therewith, executed pursuant to this section all the provisions of Section 1916.5 shall be applicable, except those provisions specifying the frequency of interest rate changes and limiting rate changes to one-fourth of 1 percent in any semiannual period. For the purposes of this section "five years" means each of the successive periods of five years commencing with the first day of the calendar month in which the instrument creating the obligation is dated.

CHAPTER 576

An act to amend Sections 8765, 8772, 8773, and 8773.2 of the Business and Professions Code, relating to land surveys.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 8765 of the Business and Professions Code is amended to read:

8765. A record of survey is not required of any survey:

(a) When it has been made by a public officer in his official capacity and a reproducible copy thereof, showing all data required by Section 8764, except the recorder's certificate, has been filed with the county surveyor of the county in which the land is located. Any map so filed shall be indexed and kept available for public inspection.

(b) Made by the United States Bureau of Land Management.

(c) When a map is in preparation for recording or shall have been recorded under the provisions of the Subdivision Map Act.

(d) When the survey is a retracement of lines shown on a subdivision map or parcel map of record, where no material discrepancies with such records are found and sufficient monumentation is found to establish the precise location of property corners thereon, provided that a corner record is filed for any property corners which are reset on such survey.

SEC. 2. Section 8772 of the Business and Professions Code is amended to read:

8772. Any monument set by a licensed land surveyor or registered civil engineer to mark or reference a point on a property or land line shall be permanently and visibly marked or tagged with the certificate number of the surveyor or civil engineer setting it, each number to be preceeded by the letters "L.S." or "R.C.E.," respectively, as the case may be or, if the monument is set by a public agency, it shall be marked with the name of the agency and the political subdivision it serves.

SEC. 3. Section 8773 of the Business and Professions Code is amended to read:

8773. (a) A licensed land surveyor or registered civil engineer shall complete, sign, stamp with his seal and file with the county surveyor or engineer of the county where the corner is situated, a written record of corner establishment or restoration to be known as a "corner record" for every public land survey corner, as defined by the Manual of Instructions for the Survey of the Public Lands of the United States, and accessory to such corner which is found, set, reset, or used as control in any survey by such land surveyor or civil engineer.

(b) A licensed land surveyor or registered civil engineer may file

such corner record for any property corner, property controlling corner, reference monument, or accessory to a property corner which is found, set, reset, or used as control in any survey by such land surveyor or civil engineer.

SEC. 4. Section 8773.2 of the Business and Professions Code is amended to read:

8773.2. (a) A "corner record" filed with the county surveyor or engineer shall, after being examined by him be filed with the county surveyor.

(b) The county surveyor of the county containing the corner shall receive and record the completed corner record.

(c) The corner record filed with the county surveyor of any county shall be securely fastened by him into a suitable book provided for that purpose.

(d) A charge for examining, indexing and filing the corner record may be collected by the county surveyor, not to exceed the amount required for the recording of a deed.

CHAPTER 577

An act to amend Section 19170 of the Business and Professions Code, relating to home furnishings, and making an appropriation therefor.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 19170 of the Business and Professions Code is amended to read:

19170. (a) The fee imposed for the issuance and for the renewal of each license granted under this chapter shall be set by the chief, with the approval of the director, at a sum not more nor less than that shown in the following table:

	Maximum fee	Minimum fee
Furniture manufacturer's license	$180	$120
Wholesale furniture dealer's license	180	120
Bedding manufacturer's license	180	120
Wholesale bedding dealer's license	180	120
Supply dealer's license	180	120
Custom upholsterer's license	120	80
Bedding renovator's license	120	80
Sterilizer's license	120	80
Retail furniture dealer's license	40	20
Retail bedding dealer's license	40	20

(b) A person who has paid the required fee and who is duly licensed as a furniture manufacturer, a custom upholsterer, a bedding manufacturer or a bedding renovator under this chapter shall not be required to pay, in addition, the fee prescribed herein for a sterilizer's license.

(c) The fee for the initial issuance of a license shall be fixed at an amount equal to 50 percent of the initial license fee then in effect if the license is issued less than one year before the date on which it will expire. The bureau shall provide for the waiver or refund of the initial license fee where the license is issued less than 45 days before the date on which it will expire.

(d) Individuals who, in their own homes and without the employment of any other person, make, sell, advertise, or contract to make pillows, quilts, quilted pads or comforters are exempt from the fee requirements imposed by subdivision (a). However, such individuals must comply with all other provisions of this chapter.

CHAPTER 578

An act to amend Section 51202 of the Education Code, relating to venereal disease instruction, and making an appropriation therefor.

[Approved by Governor September 2, 1977 Filed with Secretary of State September 3, 1977]

I am reducing the appropriation contained in Section 4 of Assembly Bill No 1209 from $150,000 to $70,000.

The reduced appropriation will be sufficient to fund this program through June 30, 1978 Future funding can more appropriately be addressed through the normal budget process.

With this deletion, I approve Assembly Bill No 1209

EDMUND G BROWN JR., Governor

The people of the State of California do enact as follows:

SECTION 1. Section 51202 of the Education Code is amended to read:

51202. The adopted course of study shall provide instruction at the appropriate elementary and secondary grade levels and subject areas in personal and public safety and accident prevention; fire prevention; the protection and conservation of resources, including the necessity for the protection of our environment; and health, including venereal disease and the effects of alcohol, narcotics, drugs, and tobacco upon the human body.

SEC. 1.5. Section 51202 of the Education Code is amended to read:

51202. The adopted course of study shall provide instruction at the appropriate elementary and secondary grade levels and subject areas in personal and public safety and accident prevention,

including emergency first aid instruction, instruction in hemorrhage control, treatment for poisoning, resuscitation techniques, and cardiopulmonary resuscitation when appropriate equipment is available; fire prevention; the protection and conservation of resources, including the necessity for the protection of our environment; and health, including venereal disease and the effects of alcohol, narcotics, drugs, and tobacco upon the human body.

SEC. 2. It is the intent of the Legislature, if this bill and Assembly Bill No. 619 are both chaptered and become effective January 1, 1978, both bills amend Section 51202 of the Education Code, and this bill is chaptered after Assembly Bill No. 619, that the amendments to Section 51202 proposed by both bills be given effect and incorporated in Section 51202 in the form set forth in Section 1.5 of this act. Therefore, Section 1.5 of this act shall become operative only if this bill and Assembly Bill No. 619 are both chaptered and become effective January 1, 1978, both amend Section 51202, and this bill is chaptered after Assembly Bill No. 619, in which case Section 1.5 of this act shall not become operative.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because the duties, obligations, or responsibilities imposed on local governmental entities or school districts by this act are such that related costs are incurred as part of their normal operating procedures.

SEC. 4. The sum of one hundred fifty thousand dollars ($150,000) is appropriated from the General Fund to the Department of Education to conduct workshops and in-service training clinics for teachers and administrators in the methods and materials for venereal disease education, and the development and distribution of teaching material for use by teachers and pupils in such courses.

CHAPTER 579

An act to amend Sections 1202, 1207, 1208, 1210, 1212, 1220, 1221, 1222, 1224, 1242, 1260, 1261, 1261.5, 1262, 1263, 1264, 1265, 1269, 1270, 1300, 1320, 1321, 4905, 5209, 9889.61, 19414.5, 19491.5, and 23428.25 of, to repeal Section 2727.3 of, and to repeal Article 9 (commencing with Section 1820) of Chapter 4 of Division 2 of, the Business and Professions Code, to amend Sections 1786.26, 2954.9, 2985.71, and 3052 of the Civil Code, to amend Sections 690.50, 1501, and 1824 of the Code of Civil Procedure, to amend Section 25100 of, and to repeal Sections 15006.1 and 15501.1 of, the Corporations Code, to amend Sections 1330, 68130, 89067, 90400, 90404, 90405, and 90406 of, and to amend the heading of Article 1 (commencing with Section 90400) of Chapter 10 of Part 55 of Division 8 of, the Education Code, to amend

Sections 6329 and 9700 of the Elections Code, to amend Section 18292 of the Financial Code, to amend Sections 33732, 38783, and 56316, to amend and renumber the heading of Chapter 11 (commencing with Section 6101) of Part 1 of Division 4 of, to amend and renumber the heading of Chapter 4 (commencing with Section 63001) of Part 3 of Division 21 of, and to repeal Chapter 10 (commencing with Section 6051) of Part 1 of Division 4 of, the Food and Agricultural Code, to amend Sections 3311, 6103.1, 6254, 6546.1, 9766, 11093, 11554, 14379, 16475, 18974, 29707.1, 53090, 53950, 69894.4, and 74924 of, to amend and renumber Sections 7801 and 20022.2, as added by Chapter 1115 of the Statutes of 1976, of, to amend and renumber the heading of Chapter 19 (commencing with Section 7500) of Division 7 of Title 1, as added by Chapter 1478 of the Statutes of 1974, of, to amend and renumber the heading of Chapter 20 (commencing with Section 7525) of Division 7 of Title 1, as added by Chapter 1079 of the Statutes of 1976, of, to add Chapter 3.1 (commencing with Section 8220) to Division 1 of Title 2 of, to repeal Sections 15275, as added by Chapter 170 of the Statutes of 1953, 31558.8, and 65906.5 of, and to repeal Part 5 (commencing with Section 17300) of Division 4 of Title 2 of, the Government Code, to amend Section 6309.6 of, and to repeal Section 6086 of, the Harbors and Navigation Code, to amend Sections 405, 1250.1, 1357, 3751, 13131.3, 13984, 14896, 18906, 26013, 26025, 26522, 26531, 26575, 27000, 27002, 27030, 28361, 28801, 28802, 28810, 32108, 33328.4, 34142, and 38500 of, to amend the heading immediately preceding Section 37683 of, to amend and renumber Sections 306, 306.5, 306.7, 307, 307.3, 308, 308.4, 308.5, 308.6, 308.8, 308.9, 25490.5, 33675, as added by Chapter 1162 of the Statutes of 1976, and 33675, as added by Chapter 1338 of the Statutes of 1976, of, to add Section 10000 to, and to repeal Sections 320, 320.5, 321, 321.2, 321.7, 322.5, 323.2, 323.5, 323.7, 10000, as amended by Chapter 1893 of the Statutes of 1965, and 13143.1 of, the Health and Safety Code, to amend Sections 1063.1, 1280.7, 1750, 1751, 4090, 10123, 11580.2, 11759 of, and to amend and renumber Sections 10123.1, as added by Chapter 1225 of the Statutes of 1975, 10124, as added by Chapter 522 of the Statutes of 1972, and 10127.1 (formerly Section 10127 of, amended and renumbered by Chapter 1079 of the Statutes of 1976) of, the Insurance Code, to amend Sections 1136.2 and 6144 of, and to add Section 3729 to, the Labor Code, to amend Sections 880 and 1269b of the Penal Code, to amend Section 1240 of the Probate Code, to amend Sections 3358, 3412, 3419, 3426, 3428, 3744, 3770, 3775, 4551.5, 6891, and 25507 of, and to repeal Section 3278 of, the Public Resources Code, to amend Sections 100252, 103352, and 130053.5 of, to amend and renumber Sections 2781, 2782, and 2783, as added by Chapter 451 of the Statutes of 1975, of, to amend and renumber the heading of Chapter 5 (commencing with Section 2781) of Part 2 of Division 1, as added by Chapter 1202 of the Statutes of 1975, of, and to amend and renumber the heading of Chapter 4.5 (commencing with Section 2801) of Part 2 of Division 1, as added by Chapter 915 of the Statutes of 1976, of, the Public Utilities Code, to amend Sections 434.5,

2191.3, 17081, 40024, and 40031 of, and to repeal Section 9157 of, the Revenue and Taxation Code, to amend the heading of Article 3 (commencing with Section 90) of Chapter 1 of Division 1 of the Streets and Highways Code, to amend Sections 9250.7, 11514, 11713, 11902, 12509, 12650, 13201.5, 21051, 23102, 27150, and 41603 of the Vehicle Code, to amend Sections 13142.5 and 71670 of, to amend and renumber Section 31014, as added by Chapter 1052 of the Statutes of 1976, of, and to repeal Sections 71673 and 71681 of, the Water Code, to amend Sections 628, 701, 701.1, 701.2, 701.3, 701.4, 701 5, 701.7, 702, 727, 7375, 9303, 9312, 11008.9, 11063, and 11478.5 of, to amend the heading of Chapter 2.3 (commencing with Section 16140) of Part 4 of Division 9 of, to amend and renumber Sections 6325.1, as added by Chapter 1274 of the Statutes of 1975, 10053.7, as added by Chapter 485 of the Statutes of 1973, 10544.3, 10602.5, as added by Chapter 171 of the Statutes of 1975, 14019.3, as added by Chapter 672 of the Statutes of 1976, 15053.5, as added by Chapter 1619 of the Statutes of 1970, 18951, 18952, and 18953, as added by Chapter 504 of the Statutes of 1976, of, to amend and renumber the heading of Article 13.1 (commencing with Section 840) of Chapter 2 of Part 1 of Division 2 of, to amend and renumber the heading of Chapter 8 (commencing with Section 14500) of Part 3 of Division 9 of, and to repeal Sections 4026 and 14150.9 of, the Welfare and Institutions Code, and to repeal Chapter 1378 of the Statutes of 1965, to repeal Section 22 of Chapter 1036 of the Statutes of 1976, and to amend Section 9 of Chapter 12 of the Statutes of 1976, relating to maintenance of the codes.

[Approved by Governor September 2, 1977. Filed with Secretary of State September 3, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 1202 of the Business and Professions Code is amended to read:

1202. As used in this chapter, "department" means the State Department of Health.

SEC. 2. Section 1207 of the Business and Professions Code is amended to read:

1207. As used in this chapter, "clinical chemist" or "clinical microbiologist," as defined by the department, means any person licensed to engage in the work and supervision of clinical laboratory activities limited to his area of specialization or to engage in the work and direction of a laboratory providing service only within the area of specialization covered by his license.

SEC. 3. Section 1208 of the Business and Professions Code is amended to read:

1208. For the purposes of this chapter, the department shall define those fields included in each specialty and limited area for which a license is issued.

SEC. 4. Section 1210 of the Business and Professions Code is

amended to read:

1210. As used in this chapter, "clinical chemist technologist," "clinical microbiologist technologist," and "clinical toxicologist technologist," or "other equivalent technologist" as defined by the department, means any person, other than those licensed to engage in the work and direction of laboratories as defined or licensed as a clinical laboratory technologist or trainee who is licensed to perform technical procedures limited to the science for which he is licensed under the direction of a person authorized to direct a laboratory under the provisions of this chapter.

SEC. 5. Section 1212 of the Business and Professions Code is amended to read:

1212. As used in this chapter, "unlicensed laboratory personnel" means individuals who may perform such functions as provided for by regulations of the department and under supervision as provided by regulations of the department.

SEC. 6. Section 1220 of the Business and Professions Code is amended to read:

1220. The department shall by regulation require that all licensed clinical laboratories maintain records, equipment, and facilities which are adequate and appropriate for the services rendered and demonstrate satisfactory performance in a proficiency testing program approved by the department. In addition, the department shall by regulation require that all licensed clinical laboratories be conducted, maintained, and operated without injury to the public health.

SEC. 7. Section 1221 of the Business and Professions Code is amended to read:

1221. The department may employ special examiners, and may make regulations for the conduct of examinations under this chapter.

SEC. 8. Section 1222 of the Business and Professions Code is amended to read:

1222. The department may approve schools seeking to provide instruction in clinical laboratory technic which in the judgment of the department will provide instruction adequate to prepare individuals to meet the requirements for licensure or performance of duties under this chapter and regulations of the department. The department shall establish by regulation the ratio of licensed clinical laboratory technologists to licensed trainees on the staff of the laboratory approved as a school and the minimum requirements for training in any specialty or in the entire field of clinical laboratory technology. Application for approval shall be made on forms provided by the department.

SEC. 9. Section 1224 of the Business and Professions Code is amended to read:

1224. The department shall make such regulations as may be necessary for the administration and enforcement of this chapter.

SEC. 10. Section 1242 of the Business and Professions Code is amended to read:

1242. Any person duly licensed under the provisions of this chapter to perform tests called for in a clinical laboratory may perform arterial puncture, venipuncture, or skin puncture for purposes of withdrawing blood or for test purposes as defined by regulations established by the department and upon specific authorization from any person in accordance with the authority granted under any provisions of law relating to the healing arts. The department may by regulation authorize unlicensed laboratory personnel to perform venipuncture or skin puncture for the purposes of withdrawing blood or for test purposes as defined by regulations established by the department and shall establish the minimum training required for such persons.

SEC. 11. Section 1260 of the Business and Professions Code is amended to read:

1260. The department shall issue a clinical laboratory bioanalyst's license to each person who is a lawful holder of a degree of master of arts, master of science, or an equivalent or higher degree as determined by the department with a major in one of the biological sciences. Such education shall have been obtained in one or more established and reputable institutions maintaining standards equivalent, as determined by the department, to those institutions accredited by the Western Association of Schools and Colleges or an essentially equivalent accrediting agency, as determined by the department. The applicant also shall have a minimum of four years' experience as a licensed clinical laboratory technologist, performing clinical laboratory work embracing the various fields of clinical laboratory activity in a clinical laboratory approved by the department. The quality and variety of this experience shall be satisfactory to the department and shall have been obtained within the six-year period immediately antecedent to admission to the examination. The department shall determine by written, oral, and practical examination that the applicant is properly qualified. The department shall establish by regulation the required courses to be included in the college or university training.

SEC. 12. Section 1261 of the Business and Professions Code is amended to read:

1261. The department shall issue a clinical laboratory or limited technologist's license to each person who is a lawful holder of a baccalaureate or an equivalent or higher degree, who has applied for such license on forms provided by the department and has met the requirements of this chapter and such reasonable qualifications as are established by regulations of the department. However, an exception to the degree requirement may be made by the department for the clinical laboratory technologist's license only if the applicant for such license has completed a minimum of two years of experience as a licensed trainee or the equivalent thereof, as determined by the department, doing clinical laboratory work embracing the various fields of clinical laboratory activity in a clinical laboratory approved by the department. In addition, the applicant

applying under this section must have 90 semester hours or equivalent quarter hours of university or college work or the equivalent thereof, as may be determined, by the department, which shall have included at least 24 semester hours or equivalent quarter hours of science courses as specified by regulations of the department. Additional college or university work which includes courses in the fundamental sciences may be substituted for one of the two years of experience in the ratio of 30 semester hours or equivalent quarter hours for each year of experience. This exception shall not apply to the limited technologist's license. The department shall hold examinations to aid it in judging the qualifications of applicants. Licenses may be issued in any or all of the sciences applied in a clinical laboratory as determined by regulation established by the department. The department shall establish by regulation the college courses or majors to be included in the college or university training and the amount and kind of training or experience required. Examinations, training, or experience requirements for limited licenses shall cover only the science concerned. The department may establish by regulation the various technologist sciences and shall establish the minimum requirements for training and experience and required courses or major for each.

Experience as a clinical laboratory technologist in any branch of the armed forces of the United States may be considered equivalent to the experience as a trainee, if such experience is approved by the department. Each year of training and experience as a clinical laboratory technologist in such armed forces shall be equivalent to 15 semester hours, which shall be credited to the minimum number of hours required to qualify for licensure as a trainee. The semester hours acquired in this manner shall not consist of the science courses required by the department under this section. The maximum number of hours granted shall not exceed 60 semester hours or its equivalent.

SEC. 13. Section 1261.5 of the Business and Professions Code is amended to read:

1261.5. The department may issue clinical laboratory technologist's licenses limited to the fields of toxicology, clinical chemistry, clinical microbiology, or immunohematology.

To qualify for admission to the examination for a special clinical laboratory technologist's license, an applicant shall have all the following:

(a) Have graduated from a college or university maintaining standards equivalent, as determined by the department, to those institutions accredited by the Western Association of Schools and Colleges or an essentially equivalent accrediting agency with a baccalaureate or higher degree with a major appropriate to the field for which a license is being sought.

(b) Have one year of full-time postgraduate training or experience in the various areas of analysis in the field for which a license is being sought in a laboratory which has a permit issued under this chapter

or which the department determines is equivalent thereto.

The department shall adopt regulations to conform to this section.

SEC. 14. Section 1262 of the Business and Professions Code is amended to read:

1262. No clinical laboratory or limited technologist license shall be issued by the department except after examination; provided, that a temporary technologist's license may be issued to an individual who fulfills the requirements for admission to the examination unless the individual has failed a previous examination for such license. The department may issue licenses without examination to applicants who have passed examinations of the national accrediting boards whose requirements are equal to or greater than those required by this chapter and regulations established by the department. The department may issue licenses without further examination to applicants who have passed examinations of another state whose laws and regulations are equal to or greater than those required by this chapter and regulations established by the department. The evaluation of national or state accrediting boards for the purposes of this chapter shall be carried out by the department with assistance of representatives from the licensed groups. This section shall not apply to persons who have passed an examination by a national board or another state examination prior to the establishment of requirements that are equal to or exceed those of this chapter or the regulations of the department. The department may, however, make exceptions if individuals are otherwise qualified.

SEC. 15. Section 1263 of the Business and Professions Code is amended to read:

1263. The department shall license as trainees those individuals desiring to train for either a clinical laboratory technologist's license or a limited technologist's license, providing such individuals meet the academic requirements.

No trainee license shall be issued unless the applicant has completed at least 90 semester hours or equivalent quarter hours of university or college work or the essential equivalent as determined by the department which must have included at least 23 semester hours or equivalent quarter hours of courses in the sciences as determined by regulations of the department. Applicants who have completed military training schools may be granted academic credit toward licensure by the department on the basis of recommendations made by the American Council on Education.

Applicants shall apply for such license on forms provided by the department and meet the requirements of this chapter and such standards as are established by regulations of the department. Trainees' licenses shall not be issued for a period in excess of two years after completion of the minimum practical training period in clinical laboratory work required for the trainee to qualify for the license being sought.

SEC. 16. Section 1264 of the Business and Professions Code is amended to read:

1264. The department shall issue a clinical chemist or clinical microbiologist license to each person who has applied for the license on forms provided by the department, who is a lawful holder of a master of science or doctoral degree in the specialty for which the applicant is seeking a license or who has met such additional reasonable qualifications of training, education, and experience as the department may establish by regulations.

Such graduate education shall have included 30 semester hours of coursework in the applicant's specialty. Applicants possessing only a master of science degree shall have the equivalent of one year of full-time, directed study or training in procedures and principles involved in the development, modification or evaluation of laboratory methods, including training in complex methods applicable to diagnostic laboratory work. Each applicant must have had one year of training in his specialty in a clinical laboratory acceptable to the department and three years of experience in his specialty in a clinical laboratory, two years of which must have been at a supervisory level. The education shall have been obtained in one or more established and reputable institutions maintaining standards equivalent, as determined by the department, to those institutions accredited by an agency acceptable to the department. The department shall determine by examination that the applicant is properly qualified. Examinations, training, or experience requirements for specialty licenses shall cover only the specialty concerned.

The department may issue licenses without examination to applicants who have passed examinations of other states or national accrediting boards whose requirements are equal to or greater than those required by this chapter and regulations established by the department. The evaluation of other state requirements or requirements of national accrediting boards shall be carried out by the department with the assistance of representatives from the licensed groups. This section shall not apply to persons who have passed an examination by another state or national accrediting board prior to the establishment of requirements that are equal to or exceed those of this chapter or regulations of the department.

SEC. 17. Section 1265 of the Business and Professions Code is amended to read:

1265. The department shall issue a clinical laboratory license to any person who has applied for such license on forms provided by the department and who is found to be in compliance with the provisions of this chapter and regulations pertaining thereto. The application shall include the name or names of the owner or the owners, the name or names of the director or directors, and the name and location of the laboratory, and such other information as may be required by the department. Application shall be made by the owner of the laboratory and the director prior to its opening. A license to conduct a clinical laboratory where the owner is not the director shall be issued jointly to the owner and the director and the license

shall include such information as may be required by the department. The owners and directors shall be severally and jointly responsible to the department for the maintenance and conduct thereof or for any violations of the provisions of this chapter and regulations pertaining thereto. The department shall not issue a permit until it is satisfied that the clinical laboratory will be operated within the spirit and intent of this chapter, that the owner and director are each of good moral character, and that the granting of such permit will not be in conflict with the interests of public health. A separate license shall be obtained for each laboratory as defined by regulations of the department and the department shall be notified within 15 days of any change in location. The department shall establish by regulation the minimum requirements to be fulfilled by those seeking a clinical laboratory license. A license shall be automatically revoked in 30 days if there is a major change of directorship or ownership of the laboratory as determined by the department. The license shall be valid for the calendar year or remainder thereof for which it is issued unless revoked or suspended. If the department does not within 60 days after the date of receipt of the application issue a license, it shall state the grounds and reasons for its refusal in writing, serving a copy upon the applicant by certified mail addressed to the applicant at his last known address.

SEC. 18. Section 1269 of the Business and Professions Code is amended to read:

1269. The department shall establish by regulation the limited laboratory activities in which unlicensed laboratory personnel including, but not limited to, laboratory aides, cardiopulmonary technicians, and isotope technicians, working in clinical laboratories may engage and shall establish the extent of supervision required and the minimum qualifications to be met by such persons. Persons engaged in such activities shall do so only under the supervision of a licensed technologist, or person duly authorized to direct a laboratory, who is functioning as a technologist. Before such persons are permitted to perform tests, they shall satisfactorily demonstrate their ability to do so in accordance with procedures prescribed by the department.

SEC. 19. Section 1270 of the Business and Professions Code is amended to read:

1270. The department shall establish by regulation the limited laboratory activities in which cytotechnologists may engage and shall establish the extent of supervision required and the minimum qualifications to be met by such persons. Persons engaged in such activities shall do so only under the supervision of a licensed technologist, or person duly authorized to direct a laboratory, who is functioning as a technologist. Before such persons are permitted to perform tests, they shall satisfactorily demonstrate their ability to do so in accordance with procedures prescribed by the department.

SEC. 20. Section 1300 of the Business and Professions Code is amended to read:

1300. The amount of application and license fee under this chapter shall be as follows:

(a) The application fee for a clinical laboratory bioanalyst's, clinical chemist's, or clinical microbiologist's license is twenty-five dollars ($25).

(b) The annual renewal fee for a clinical laboratory bioanalyst's, clinical chemist's, or clinical microbiologist's license shall be fixed by the department at an amount not to exceed twenty-five dollars ($25).

(c) The application fee for a clinical laboratory technologist's or limited technologist's license is fifteen dollars ($15).

(d) The annual renewal fee for a clinical laboratory technologist's or limited technologist's license shall be fixed by the department at an amount not to exceed ten dollars ($10).

(e) The application fee for a clinical laboratory license is one hundred dollars ($100); provided, however, that when the applicant is the state or any agency or official thereof, or a district, city, county or city and county, or an official thereof, no fee shall be required.

(f) The annual renewal fee for a clinical laboratory license shall be fixed by the department at an amount not to exceed one hundred dollars ($100); provided, however, that when the applicant is the state or any agency or official thereof, or a district, city, county, or city and county, or official thereof, no fee shall be required.

(g) The application fee for a trainee's license is five dollars ($5).

(h) The annual renewal fee for a trainee's license is three dollars ($3).

(i) The application fee for a duplicate license is two dollars ($2).

(j) The delinquency fee is ten dollars ($10).

SEC. 21. Section 1320 of the Business and Professions Code is amended to read:

1320. Licenses issued by the department may be denied, revoked or suspended for any of the following reasons:

(a) Conduct involving moral turpitude or dishonest reporting of tests.

(b) Violation of any of the regulations of the department adopted pursuant to this chapter.

(c) Permitting a licensed trainee to perform tests or procure specimens unless under the direct and responsible supervision of a person duly licensed under this chapter or physician and surgeon other than another licensed trainee.

(d) Violation of any provision of the Business and Professions Code governing the practice of medicine and surgery.

(e) Proof that the holder has made false statements in material regard on his application for licensure or that he has used any degree or certificate as a means of qualifying for licensure which has been purchased or procured by barter or by any unlawful means or obtained from any institution which at the time said degree or certificate was obtained was not recognized or accredited by the department of education of the state where said institution is or was

located to give training in the field of study in which the degree or certificate is claimed.

(f) The use of any degree, certificate, or title in any manner, which has been purchased or procured by barter or by any unlawful means or obtained from any institution which at the time said degree, certificate, or title was obtained was not recognized or accredited by the department of education of the state where said institution is or was located to give training in the field of study in which the degree, certificate, or title is claimed.

(g) Violation of any of the provisions of the premarital or prenatal laws or regulations pertaining thereto in Article 3 (commencing with Section 4300), Chapter 2, Title 1, Part 5, Division 4 of the Civil Code and in Article 1 (commencing with Section 1125), Group 4, Subchapter 1, Chapter 2, Part 1, Title 17 of the California Administrative Code, or of the provisions of Article 2 (commencing with Section 3220), Chapter 4, Division 4 of the Health and Safety Code.

(h) The advertising of clinical laboratory procedures to the lay public in magazines, newspapers, directories, circulars, signs, etc., or any advertising which is false or misleading.

(i) Knowingly accepting an assignment for clinical laboratory tests or specimens from and the rendering a report thereon to persons not authorized by law to submit such specimens or assignments.

(j) Rendering a report on clinical laboratory work actually performed in another clinical laboratory without designating clearly the name of the laboratory in which the test was performed.

(k) Conviction of a felony or of any misdemeanor involving moral turpitude under the laws of any state or of the United States rising out of or in connection with the practice of clinical laboratory technology. The record of conviction or a certified copy thereof shall be conclusive evidence of such conviction.

(l) Violation of any of the provisions of this chapter.

(m) Unprofessional conduct.

(n) The use of drugs or alcoholic beverages to the extent or in such manner as to be dangerous to a person licensed under this chapter, or any other person to the extent that such use impairs the ability of the licensee to conduct with safety to the public the practice of clinical laboratory technology.

SEC. 22. Section 1321 of the Business and Professions Code is amended to read:

1321. A plea or verdict of guilty or a conviction following a plea of nolo contendere made to a charge of a felony or of any offense involving moral turpitude is deemed to be a conviction within the meaning of this article. The department may order the license suspended or revoked, or may decline to issue a license, when the time for appeal has elapsed, or the judgment of conviction has been affirmed on appeal or when an order granting probation is made suspending the imposition of sentence, irrespective of a subsequent order under the provisions of Section 1203.4 of the Penal Code

allowing such person to withdraw his plea of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusation, information or indictment.

SEC. 23. Article 9 (commencing with Section 1820) of Chapter 4 of Division 2 of the Business and Professions Code is repealed.

SEC. 24. Section 2727.3 of the Business and Professions Code is repealed.

SEC. 25. Section 4905 of the Business and Professions Code is amended to read:

4905. The following fees shall be collected by the board and the same shall be credited to the Board of Examiners in Veterinary Medicine Contingent Fund:

(a) The fee for filing an application for examination shall be fixed by the board in such amount as it determines is reasonably necessary to provide sufficient funds to carry out the purpose of this chapter, but not to exceed ninety dollars ($90) for the practical examination, and at not more than ninety dollars ($90) for the written examination.

(b) The initial license fee is an amount equal to the renewal fee in effect on the last regular renewal date before the date on which the license is issued, except that, if the license is issued less than one year before the date on which it will expire, then the fee is an amount equal to fifty percent (50%) of the renewal fee in effect on the last regular renewal date before the date on which the license is issued. The board may, by appropriate regulation, provide for the waiver or refund of the initial license fee where the license is issued less than 45 days before the date on which it will expire.

(c) The renewal fee shall be fixed by the board for each biennial renewal period in such amount as it determines is reasonably necessary to provide sufficient funds to carry out the purpose of this chapter, but not to exceed one hundred dollars ($100).

(d) The delinquency fee shall not exceed twenty-five dollars ($25).

(e) The fee for issuance of a duplicate license is ten dollars ($10).

(f) The board may make a charge for records, transcripts, and other official documents pertaining to the affairs of the board.

(g) The fee for failure to report a change in the place of practice is fifteen dollars ($15).

(h) The fee for registration of veterinary premises is fifty dollars ($50), but the board may reduce the fee to such amount as it determines is reasonably necessary to provide sufficient funds to carry out the purposes of this chapter.

SEC. 26. Section 5209 of the Business and Professions Code is amended to read:

5209. "Director" refers to the Director of Transportation of the State of California.

SEC. 27. Section 9889.61 of the Business and Professions Code is amended to read:

9889.61. (a) The department shall, by no later than January 1, 1974,

apply to the federal government for matching funds to carry out the inspection program established by this chapter.

(b) The department shall charge a fee for the inspection of motor vehicles conducted pursuant to Section 9889.55, except that the department may waive fees for the inspection of motor vehicles conducted pursuant to subdivision (b) of Section 9889.55. The revenues from such fees shall be deposited in the Vehicle Inspection Fund, which is hereby created, and are hereby continuously appropriated to the department to carry out its functions and duties specified in this chapter. The fees charged shall be sufficient to provide the state funds to match any federal grants awarded in response to application under subdivision (a), and to reimburse the Motor Vehicle Account in the Transportation Tax Fund for all appropriations made for the design, adoption, implementation, and operation of the inspection program established by this chapter.

(c) If the department determines that the collection of inspection fees at the time the motor vehicles are inspected is not safe or economical to the state, the department may request the Department of Motor Vehicles to collect, and in such a case the Department of Motor Vehicles may collect, the fee at the time of registration of the motor vehicle. If the Department of Motor Vehicles collects the fees, it shall establish the necessary procedures for collecting the fees and shall deposit the fees, less its administrative cost in collecting the fees as determined by the Department of Finance, in the Vehicle Inspection Fund.

SEC. 28. Section 19414.5 of the Business and Professions Code is amended to read:

19414.5. "Racing days" are days on which a licensed racing association is authorized by the board to conduct horseracing. "Racing weeks" are weeks during which a licensed racing association is authorized by the board to conduct horseracing for a minimum of five racing days. Fractional racing weeks may be authorized by the board at the beginning and end of any horseracing meeting but shall not total more than one week, provided, that if a licensed racing association holds a split meeting pursuant to subdivision (e) of Section 19532 each part of such a split meeting shall be deemed a horseracing meeting, solely for the purposes of authorizing fractional "racing weeks" under this section.

SEC. 29. Section 19491.5 of the Business and Professions Code is amended to read:

19491.5. Notwithstanding the provisions of subdivision (a) of Section 19491, an association, including the California Exposition and State Fair or a county or district agricultural association fair, which conducts, or whose predecessor association has conducted, a horseracing meeting during the preceding year at which the total amount handled in the parimutuel pools operated by the association, or by such predecessor association, is not more than one hundred twenty-five million dollars ($125,000,000) shall be exempt from payment of that portion of the license fee provided in subdivision (f)

of Section 19491 on the amount handled by it under fifty million dollars ($50,000,000).

"Predecessor association," as used in this section, means a person who was previously licensed to conduct racing of the same kind and at the same racing facility as the presently existing association.

It is the intent of the Legislature that the amendment to this section at its 1970 Regular Session shall be deemed to be a clarification of the effect of this section, and that such amendment does not constitute a substantive change.

SEC. 30. Section 23428.25 of the Business and Professions Code is amended to read:

23428.25. For the purposes of this article, "club" also means any Hidalgo Society the purpose of which is to operate for the advancement of education for the improvement of social and economic conditions, to help lessen neighborhood tension, lessen the burden on welfare systems. to help eliminate prejudice and discrimination and for other charitable causes that might be present in the community. Such a group shall be located in a county of the 32nd class, have at least two hundred (200) members who pay dues, have been in existence more than three years and shall own, lease, or maintain a clubroom or rooms for its membership.

It shall be unlawful for any club licensed pursuant to this section to make any discrimination, distinction, or restriction against any person on account of such person's color, race, religion, ancestry, national origin, sex, or age.

SEC. 31. Section 1786.26 of the Civil Code is amended to read:

1786.26. An investigative consumer reporting agency shall make all disclosures pursuant to Sections 1786.10 and 1786.22 and furnish all consumer reports pursuant to Section 1786.24 as follows:

(1) Without charge, if requested by the consumer within 30 days after receipt by such consumer of a notification of adverse action pursuant to Section 1786.40 stating that adverse action may be or has been taken on the consumer. There may be imposed a reasonable charge if the disclosure requires the preparation of special material.

(2) The investigative consumer reporting agency may otherwise impose a reasonable charge on the consumer for making disclosures to such consumer pursuant to Sections 1786.10 and 1786.22 and for any other services rendered to the consumer.

(3) Any charges shall be indicated to the consumer prior to disclosure and may not cover notification of the deletion of information which is found to be inaccurate or which can no longer be verified.

(4) A reasonable charge for disclosure under this section cannot exceed five dollars ($5). A reasonable charge for other services rendered to the consumer shall not exceed those charges made to a user of the consumer credit reporting agency's services.

SEC. 32. Section 2954.9 of the Civil Code is amended to read:

2954.9. (a) (1) Except as otherwise provided by statute, where the original principal obligation is one hundred thousand dollars

($100,000) or less, the borrower under any note or evidence of indebtedness secured by a deed of trust or mortgage or any other lien on real property shall be entitled to prepay the whole or any part of the balance due, together with accrued interest, at any time.

(2) Nothing in this subdivision shall prevent a borrower from obligating himself, by an agreement in writing, to pay a prepayment charge.

(3) This subdivision does not apply during any calendar year to a bona fide loan secured by a deed of trust or mortgage given back during such calendar year to the seller by the purchaser on account of the purchase price if such seller does not take back four or more such deeds of trust or mortgages during such calendar year. Nothing in this subdivision shall be construed to prohibit a borrower from making a prepayment by an agreement in writing with the lender.

(b) Except as otherwise provided in Section 10242.6 of the Business and Professions Code, the principal and accrued interest on any loan secured by a mortgage or deed of trust on real property containing only a single-family, owner-occupied dwelling may be prepaid in whole or in part at any time but only a prepayment made within five years of the date of execution of such mortgage or deed of trust may be subject to a prepayment charge and then solely as herein set forth. An amount not exceeding 20 percent of the original principal amount may be prepaid in any 12-month period without penalty. A prepayment charge may be imposed on any amount prepaid in any 12-month period in excess of 20 percent of the original principal amount of the loan which charge shall not exceed an amount equal to the payment of six months' advance interest on the amount prepaid in excess of 20 percent of the original principal amount.

SEC. 33. Section 2985.71 of the Civil Code is amended to read:

2985.71. (a) If any solicitation to enter into a lease contract includes a statement of the amount of any payment, the number of required payments, or that any capitalized cost reduction or other payment is required at the inception of the lease, the solicitation shall also include all of the following:

(1) A statement that the transaction advertised is a lease.

(2) If the lessee is to bear the risk of the motor vehicle's depreciation, the value placed on the motor vehicle at the inception of the lease.

(3) The amount, if any, required by the lessor as a security deposit, advance periodic payment or other prepayment.

(4) The term of the lease expressed in months, and the total amount of periodic payments.

(5) If the lessee is to bear the risk of the motor vehicle's depreciation, the maximum for which the lessee could be held liable at the end of the lease period.

(b) A failure to comply with the provisions of this section shall not affect the validity of the leasing contract. There is no liability on the part of any owner or personnel, as such, of any advertising medium for any violation of this section.

SEC. 34. Section 3052 of the Civil Code is amended to read:

3052. If the person entitled to the lien provided in Section 3051 of this code be not paid the amount due, and for which said lien is given, within ten (10) days after the same shall have become due, then such lienholder may proceed to sell said property, or so much thereof as may be necessary to satisfy said lien and costs of sale at public auction, and by giving at least ten (10) but not more than twenty (20) days' previous notice of such sale by advertising in some newspaper published in the county in which said property is situated; or if there be no newspaper printed in such county, then by posting notice of sale in three (3) of the most public places in the town or place where such property is to be sold, for ten (10) days previous to the date of the sale; provided, however, that prior to the sale of any trailer to satisfy any such lien, twenty (20) days' notice by registered mail shall be given to the legal owner and to the registered owner of such vehicle, if registered in this state as the same appear in the registration certificate, and also to the Department of Motor Vehicles by registered letter; and the Department of Motor Vehicles shall in like manner immediately notify said legal owner and said registered owner of said proposed sale, but failure on the part of said division to give such notice shall not affect the validity of any such sale; and provided, further, that within twenty (20) days after said sale, the legal owner may redeem any such trailer so sold to satisfy said lien upon the payment of the amount thereof, all costs and expenses of said sale, together with interest on said sum at the rate of 12 percent per annum from the due date thereof or the date when the same were advanced until the repayment. The proceeds of the sale must be applied to the discharge of the lien and the cost of keeping and selling the property; the remainder, if any, must be paid over to the legal owner thereof.

SEC. 35. Section 690.50 of the Code of Civil Procedure is amended to read:

690.50. (a) If the property mentioned in Section 690.1 to 690.29, inclusive, shall be levied upon under writ of execution, the judgment debtor (herein referred to as "the debtor"), in order to avail himself of his exemption rights as to such property, shall within 20 days, in the case of real property described in Section 690.31, and 10 days, in the case of all other property, from the date such property was levied upon deliver to the levying officer an affidavit of himself or his agent, together with a copy thereof, alleging that the property levied upon, identifying it, is exempt, specifying the section or sections of this code on which he relies for his claim to exemption, and all facts necessary to support his claim, and also stating therein his address within this state for the purpose of permitting service by mail upon him of the counteraffidavit and any notice of the motion herein provided. For purposes of this section, if the property levied upon consists of the earnings of a judgment debtor, each date that earnings are withheld from the judgment debtor shall be deemed to be the date such earnings were levied upon. A judgment debtor shall have

the right to file a separate claim of exemption each time that a withholding of earnings occurs, provided, that if a prior claim of exemption has been adjudicated under the same levy, that each separate claim of exemption thereafter be supported by a statement under oath alleging the changed circumstances which support the new claim of exemption. If a claim of exemption be allowed, the judgment creditor shall have the right, at any time during the effective period of the claim of exemption, to move the court for consideration of the claim previously granted on the grounds of a material change of circumstances affecting the debtor's exemption rights. If the judgment creditor does make such a motion, he must support his motion by a statement under oath alleging the changed circumstances which support his motion for consideration.

(b) Forthwith upon receiving the affidavit of exemption, the levying officer shall serve upon the person in whose favor the writ runs (herein referred to as "the creditor"), either personally or by mail, a copy of the affidavit of exemption, together with a writing, signed by the levying officer, stating that the claim to exemption has been received and that the officer will release the property unless he receives from the creditor a counteraffidavit within 10 days after service of such writing, in the case of real property described in Section 690.31, and within five days after service of such writing, in all other cases.

(c) If the creditor desires to contest the claim to exemption, he shall, within such period of 10 days, in the case of real property described in Section 690.31, and five days, in all other cases, file with the levying officer a counteraffidavit alleging that the property is not exempt within the meaning of the section or sections of this code relied upon, or if the claim to exemption be based on Sections 690.2, 690.3, 690.4, or 690.6, alleging that the value of the property claimed to be exempt is in excess of the value stated in the applicable section or sections, together with proof of service of a copy of such counteraffidavit upon the debtor.

(d) If no such counteraffidavit, with such proof of service, is so filed with the levying officer within the time allowed, the officer shall forthwith release the property.

(e) If such counteraffidavit, with such proof of service, is so filed, either the creditor or the debtor shall be entitled to a hearing in the court in which the action is pending or from which the writ issued for the purpose of determining the claim to exemption, the priority or division of payment between one or more creditors from nonexempt earnings under the provisions of Section 690.6 or the value of the property claimed to be exempt. Such hearing shall be granted by the court upon motion of either party made within five days after the counteraffidavit is filed with the levying officer, and such hearing must be had within 15 days from the date of the making of such motion unless continued by the court for good cause. The party making the motion for hearing shall give not less than five days' notice in writing of such hearing to the levying officer and to the

other party, and specify therein that the hearing is for the purpose of determining the claim to exemption. The notice may be of motion or of hearing and upon the filing of the notice with the clerk of the court, the motion is deemed made.

(f) If neither party makes such motion within the time allowed, or if the levying officer shall not have been served with a copy of the notice of hearing within 10 days after the filing of the counteraffidavit, the levying officer shall forthwith release the property to the debtor.

(g) At any time while the proceedings are pending, upon motion of either party or upon its own motion, the court may (1) order the sale of any perishable property held by such officer and direct disposition of the proceeds of such sale, and (2) make such other orders as may be proper under the particular circumstances of the case. Any orders so made may be modified or vacated by the court or judge granting the same, or by the court in which the proceedings are pending, at any time during the pendency of the proceedings, upon such terms as may be just.

(h) The levying officer in all cases shall retain physical possession of the property levied upon if it is capable of physical possession, or in the case of property not capable of physical possession, the levy shall remain in full force and effect, pending the final determination of the claim to exemption. However, no sale under execution shall be had prior to such final determination unless an order of the court hearing the claim for exemption shall so provide.

(i) At such hearing, the party claiming the exemption shall have the burden of proof. The affidavits and counteraffidavits shall be filed by the levying officer with the court and shall constitute the pleadings, subject to the power of the court to permit an amendment in the interests of justice. The affidavit of exemption shall be deemed controverted by the counteraffidavit and both shall be received in evidence. Nothing herein shall be construed to deprive anyone of the right to a jury trial in any case where, by the Constitution, such right is given, but a jury trial may be waived in any such case in like manner as in the trial of an action. No findings shall be required in a proceeding under this section. When the hearing is before the court sitting without a jury, and no evidence other than the affidavit and counteraffidavit is offered, the court, if satisfied that sufficient facts are shown thereby, may make its determination thereon. Otherwise, it shall order the hearing continued for the production of other evidence, oral or documentary, or the filing of other affidavits and counteraffidavits. At the conclusion of the hearing, the court shall give judgment determining whether the claim to exemption shall be allowed or not, in whole or in part, and may give judgment determining the priority or division of payment between one or more creditors from nonexempt earnings under the provisions of Section 690.6, which judgment shall be determinative as to the right of the creditor to have the property taken and held by the officer or to subject the property to payment or other satisfaction of his

judgment. In such judgment the court shall make all proper orders for the disposition of such property or the proceeds thereof.

(j) A copy of any judgment entered in the trial court shall be forthwith transmitted by the clerk to the levying officer in order to permit such officer to either release the property attached or to continue to hold it to sell it, in accordance with the provisions of the writ previously delivered to him. Such officer, unless an appeal from the judgment is waived, or the judgment has otherwise become final, shall continue to hold such property under attachment or execution, continuing the sale of any property held under execution until such judgment becomes final. However, if a claim to exemption under Section 690.6 is allowed by such judgment, the debtor shall be entitled to a release of the earnings so exempted at the expiration of three days, unless otherwise ordered by the court, or unless the levying officer shall have been served with a copy of a notice of appeal from the judgment.

(k) When any documents required hereunder are served by mail, the provisions of this code relating to service by mail shall be applicable thereto.

(*l*) Whenever the time allowed for an act to be done hereunder is extended by the court, written notice thereof shall be given promptly to the opposing party, unless such notice be waived, and to the levying officer.

(m) An appeal lies from any judgment under this section. Such appeal shall be taken in the manner provided for appeals in the court in which the proceeding is had.

SEC. 36. Section 1501 of the Code of Civil Procedure is amended to read:

1501. As used in this chapter, unless the context otherwise requires:

(a) "Apparent owner" means the person who appears from the records of the holder to be entitled to property held by the holder.

(b) "Banking organization" means any national or state bank, trust company, banking company, land bank, savings bank, safe deposit company, private banker, or any similar organization.

(c) "Business association" means any private corporation, joint stock company, business trust, partnership, or any association for business purposes of two or more individuals, whether or not for profit, including, but not by way of limitation, a banking organization, financial organization, life insurance corporation, and utility.

(d) "Financial organization" means any federal or state savings and loan association, building and loan association, credit union, investment company, or any similar organization.

(e) "Government or governmental subdivision or agency" does not include the United States government or any officer, department, or agency thereof.

(f) "Holder" means any person in possession of property subject to this chapter belonging to another, or who is trustee in case of a trust, or is indebted to another on an obligation subject to this

chapter.

(g) "Life insurance corporation" means any association or corporation transacting the business of insurance on the lives of persons or insurance appertaining thereto, including, but not by way of limitation, endowments and annuities.

(h) "Owner" means a depositor in case of a deposit, a beneficiary in case of a trust, or creditor, claimant, or payee in case of other choses in action, or any person having a legal or equitable interest in property subject to this chapter, or his legal representative.

(i) "Person" means any individual, business association, government or governmental subdivision or agency, two or more persons having a joint or common interest, or any other legal or commercial entity, whether such person is acting in his own right or in a representative or fiduciary capacity.

(j) "Employee benefit trust distribution" means any money, life insurance, endowment or annuity policy or proceeds thereof, securities or other intangible property, and any tangible property, distributable to a participant, former participant, or the beneficiary or estate or heirs of a participant or former participant or beneficiary, from a trust or custodial fund established under a plan to provide health and welfare, pension, vacation, severance, retirement benefit, death benefit, stock purchase, profit sharing, employee savings, supplemental unemployment insurance benefits or similar benefits.

SEC. 37. Section 1824 of the Code of Civil Procedure is amended to read:

1824. (a) The pleadings shall consist of a complaint filed by the plaintiff, an answer filed by the defendant, and a cross-claim filed by the defendant at his election.

(b) Motions shall be in the form generally provided in this code.

SEC. 38. Section 15006.1 of the Corporations Code is repealed.

SEC. 39. Section 15501.1 of the Corporations Code is repealed.

SEC. 40. Section 25100 of the Corporations Code is amended to read:

25100. The following securities are exempted from the provisions of Sections 25110, 25120, and 25130:

(a) Any security (including a revenue obligation) issued or guaranteed by the United States, any state, any city, county, city and county, public district, public authority, public corporation, public entity, or political subdivision of a state or any agency or corporate or other instrumentality of any one or more of the foregoing; or any certificate of deposit for any of the foregoing.

(b) Any security issued or guaranteed by the Dominion of Canada, any Canadian province, any political subdivision or municipality of any such province, or by any other foreign government with which the United States currently maintains diplomatic relations, if the security is recognized as a valid obligation by the issuer or guarantor; or any certificate of deposit for any of the foregoing.

(c) Any security issued or guaranteed by and representing an interest in or a direct obligation of a national bank or a bank or trust

company incorporated under the laws of this state, and any security issued by a bank to one or more other banks and representing an interest in an asset of the issuing bank.

(d) Any security issued or guaranteed by a federal savings and loan association or federal land bank or joint land bank or national farm loan association or by any savings and loan association which is subject to the supervision and regulation of the Savings and Loan Commissioner of this state.

(e) Any security (other than an interest in all or portions of a parcel or parcels of real property which are subdivided land or a subdivision or in a real estate development), the issuance of which is subject to authorization by the Insurance Commissioner, the Public Utilities Commission, or the Real Estate Commissioner of this state.

(f) Any security consisting of any interest in all or portions of a parcel or parcels of real property which are subdivided lands or a subdivision or in a real estate development; provided that the exemption in this subdivision shall not be applicable to any investment contract sold or offered for sale with, or as part of, any such interest, or to any corporation engaged in the business of selling, distributing or supplying water for irrigation purposes or domestic use which is not a public utility.

(g) Any shares, investment certificates or borrower's membership certificates (as defined in the Savings and Loan Association Law) issued by a savings and loan association holding a license then in force from the Savings and Loan Commissioner of this state.

(h) Any security issued or guaranteed by any federal credit union, or by any credit union organized and supervised under the laws of this state.

(i) Any security issued or guaranteed by any railroad, other common carrier, public utility, or public utility holding company which is (1) subject to the jurisdiction of the Interstate Commerce Commission or (2) a holding company registered with the Securities and Exchange Commission under the Public Utility Holding Company Act of 1935 or a subsidiary of such a company within the meaning of that act or (3) regulated in respect of the issuance or guarantee of the security by a governmental authority of the United States, of any state, of Canada or of any Canadian province; and the security is subject to registration with or authorization of issuance by such authority.

(j) Any security (except evidences of indebtedness, whether interest bearing or not) of an issuer (1) organized exclusively for educational, benevolent, fraternal, religious, charitable, social, or reformatory purposes and not for pecuniary profit, if no part of the net earnings of the issuer inures to the benefit of any private shareholder or individual, or (2) organized as a chamber of commerce or trade or professional association. The fact that amounts received from memberships or dues or both will or may be used to construct or otherwise acquire facilities for use by members of the

nonprofit organization does not disqualify the organization for this exemption. This exemption does not apply to the securities of any nonprofit organization if any promoter thereof expects or intends to make a profit directly or indirectly from any business or activity associated with the organization or operation of such nonprofit organization or from remuneration received from such nonprofit organization.

(k) Any agreement, commonly known as a "life income contract," of an issuer (1) organized exclusively for educational, benevolent, fraternal, religious, charitable social, or reformatory purposes and not for pecuniary profit and (2) which the commissioner designates by rule or order, with a donor in consideration of a donation of property to such issuer and providing for the payment to the donor or persons designated by him of income or specified periodic payments from the donated property or other property for the life of the donor or such other persons.

(*l*) Any note, draft, bill of exchange, or banker's acceptance which is freely transferable and of prime quality, arises out of a current transaction or the proceeds of which have been or are to be used for current transactions, and which evidences an obligation to pay cash within nine months of the date of issuance, exclusive of days of grace, or any renewal of such paper which is likewise limited, or any guarantee of such paper or of any such renewal, provided that such paper is not offered to the public in amounts of less than twenty-five thousand dollars ($25,000) in the aggregate to any one purchaser. In addition, the commissioner may, by rule or order, exempt any issuer of any notes, drafts, bills of exchange or banker's acceptances from qualification of such securities when he finds that such qualification is not necessary or appropriate in the public interest or for the protection of investors.

(m) Any security issued by any corporation organized and existing under the provisions of Chapter 1 (commencing with Section 54001) of Division 20 of the Food and Agricultural Code.

(n) Any unincorporated interindemnity or reciprocal or interinsurance contract, which qualifies under the provisions of Section 1280.7 of the Insurance Code, between members of a cooperative corporation, organized and operating under Part 2 (commencing with Section 12200) of Division 3 of Title 1, and whose members consist only of physicians and surgeons licensed in California, which contracts indemnify solely in respect to medical malpractice claims against such members, and which do not collect in advance of loss any moneys other than contributions by each member to a collective reserve trust fund or for necessary expenses of administration.

(o) Any beneficial interest in a retirement system as defined in subdivision (a) of Section 28002.

(p) Any security listed or approved for listing upon notice of issuance on a national securities exchange certified by rule or order of the commissioner and any warrant or right to purchase or

subscribe to any such security.

Such certification of an exchange shall be made by the commissioner upon the written request of the exchange if he finds that the exchange, in acting on applications for listing of common stock substantially applies each of the minimum standards set forth in subparagraph (1) below, and in considering suspension or removal from listing, substantially applies each of the criteria set forth in subparagraph (2) below.

(1) Listing standards:

(i) Net tangible assets of at least two million dollars ($2,000,000).

(ii) Net income of at least two hundred fifty thousand dollars ($250,000) after all charges including federal income taxes in the fiscal year immediately preceding the filing of a listing application and net income before such taxes of at least five hundred thousand dollars ($500,000).

(iii) Minimum public distribution of 250,000 shares excluding the holdings of officers, directors, controlling shareholders and other concentrated or family holdings among not less than 900 holders including not less than 600 holders of lots of 100 shares or more, with a corresponding requirement that such securities not be largely held in blocks by institutional investors.

(iv) Minimum price of four dollars ($4) per share for reasonable period of time prior to the filing of a listing application.

(v) An aggregate market value for publicly held shares of at least one million five hundred thousand dollars ($1,500,000).

(2) Criteria for consideration of suspension or removal from listing:

(i) If a company which (A) has net tangible assets of less than one million dollars ($1,000,000) has sustained net losses in each of its two most recent fiscal years, or (B) has net tangible assets of less than three million dollars ($3,000,000) and has sustained net losses in three of its four most recent fiscal years.

(ii) If the number of shares publicly held (excluding the holdings of officers, directors, controlling shareholders and other concentrated or family holdings) is less than 150,000.

(iii) If the total number of shareholders of record is less than 450 or if the number of shareholders of lots of 100 shares or more is less than 300.

(iv) If the aggregate market value of shares publicly held is less than seven hundred fifty thousand dollars ($750,000).

(v) If shares of common stock sell at a price of less than four dollars ($4) per share for a substantial period of time and the issuer shall fail to effectuate a reverse stock split of such shares within a reasonable period of time after being requested by the exchange to take such action.

The commissioner after appropriate notice and opportunity for hearing in accordance with the provisions of the Administrative Procedure Act, Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, may by rule or

order, decertify any exchange previously certified which ceases substantially to apply the standards or criteria as set forth above. A rule or order of certification shall conclusively establish that any security listed or approved for listing upon notice of issuance on any exchange named in a rule or order of certification and any warrant or right to purchase or subscribe to any such security is exempt under this subdivision until the adoption of any rule or order decertifying such exchange.

(q) A promissory note secured by a lien on real property, which is not one of a series of notes secured by interests in the same real property.

SEC. 41. Section 1330 of the Education Code is amended to read:

1330. The Superintendent of Public Instruction or Board of Governors of the California Community Colleges as the case may be shall represent, and exercise all rights of appeal under this part on behalf of school employers or arrange with a county superintendent of schools or make designation thereof consistent with this section for the filing of appeals for school employers and for the representation of school employers at hearings held under Part 1 (commencing with Section 100) of Division 1 of the Unemployment Insurance Code. The cost of services provided by the Superintendent of Public Instruction or Board of Governors of the California Community Colleges under this section and under Article 6 (commencing with Section 821) of Chapter 3 of Part 1 of Division 1 of the Unemployment Insurance Code shall be paid from the Classified School Employees Fund. The Superintendent of Public Instruction or Board of Governors of the California Community Colleges is hereby authorized to obtain pertinent personnel records and data from any school employer and to act as an agent individually or collectively for school employers in matters pertaining to unemployment insurance.

Each county superintendent of schools, unless notified by the administrator or the Superintendent of Public Instruction or Board of Governors of the California Community Colleges to the contrary, shall perform such duties and render such services as required to implement such program. Any district, combination of districts, county, combination of counties, or combination of counties, school districts, or community college districts, may be designated by the Superintendent of Public Instruction or Board of Governors of the California Community Colleges whereby one agency may administer the program for the purpose of consolidation for economy and employment of specialists. This consolidation may include the services of a regional data center operated by a county superintendent of schools or the data-processing services of a school district, or community college district.

Each school employer shall perform pursuant to Article 6 (commencing with Section 821) of Chapter 3 of Part 1 of Division 1 of the Unemployment Insurance Code and shall respond to the Superintendent of Public Instruction or Board of Governors of the

California Community Colleges and the county superintendent of schools or designated agency as soon as possible, in no case later than 48 hours, to inquiries made on behalf of such county superintendent or the Superintendent of Public Instruction or Board of Governors of the California Community Colleges in reference to any aspect of eligibility, notice of claim or appeal under the unemployment insurance program Each county superintendent or agent thereof who is responsible for administering the unemployment insurance program shall be responsible for timely responses to any inquiry by the administrator, Superintendent of Public Instruction, State Treasurer, State Controller, or other officer or person responsible for disbursements on behalf of the joint account, the Classified School Employees Fund in the State Treasury as established by Section 822 of the Unemployment Insurance Code, and the Unemployment Fund in the State Treasury. Any school employer which fails to pay the contributions, interest, charges or levies within the time required shall be liable for interest on moneys due at the rate of one-half percent (0.5%) per month or fraction thereof from and after the date of delinquency until paid. If, except as stated in Section 828 of the Unemployment Insurance Code with reference to Section 826 thereof, the school employer fails, without good cause, to pay any sums required within the time required a penalty of 10 percent of the amount noticed, billed or required shall be made by the administrator. The administrator may for good cause waive all or a portion of interest and penalty.

SEC. 42. Section 68130 of the Education Code is amended to read:

68130. The governing boards and district governing boards may waive nonresident tuition in whole or in part pursuant to Sections 89705, 89707, 68124, and 76140.

SEC. 43. Section 89067 of the Education Code is amended to read:

89067. This article does not apply to the California State Polytechnic University or the California Polytechnic State University.

SEC. 44. The heading of Article 1 (commencing with Section 90400) of Chapter 10 of Part 55 of Division 8 of the Education Code is amended to read:

Article 1. California State Polytechnic University and California Polytechnic State University

SEC. 45. Section 90400 of the Education Code is amended to read:

90400. (a) The California Polytechnic State University included within the California State University and Colleges is comprised of a campus or complex of buildings, facilities, and land situated within the County of San Luis Obispo.

(b) The California State Polytechnic University included within the California State University and Colleges is comprised of a campus or complex of buildings, facilities, and land situated within the County of Los Angeles and within or near the City of Pomona and

the City of San Dimas.

SEC. 46. Section 90404 of the Education Code is amended to read:

90404. In addition to the functions provided by Section 66608 the California State Polytechnic University and the California Polytechnic State University shall be authorized to emphasize the applied fields of agriculture, engineering, business, home economics and other occupational and professional fields. This article shall be liberally construed.

SEC. 47. Section 90405 of the Education Code is amended to read:

90405. The California State Polytechnic University and the California Polytechnic State University Agricultural Project Revolving Fund in the sum of ten thousand dollars ($10,000) is continued in existence. The fund shall be used for loans to needy and deserving students for the purchase of livestock, poultry, seed, feed, and such other materials as are necessary for the conducting of projects by students under supervision of instructors in the school. All sums borrowed shall be returned to the revolving fund as soon as projects are completed.

SEC. 48. Section 90406 of the Education Code is amended to read:

90406. The trustees, with the consent of the Director of Finance, may sell or trade such of the property belonging to the state and used for the California State Polytechnic University or the California Polytechnic State University as may in the judgment of the trustees be disposed of advantageously. The proceeds of the sale shall be used for the purchase of such other land for the use of the California State Polytechnic University or the California Polytechnic State University as the trustees and the Director of Finance may deem necessary.

SEC. 49. Section 6329 of the Elections Code is amended to read:

6329. On the second Sunday in April, at 1 p.m., the caucus chairperson in each congressional district shall convene a caucus for the purpose of recommending delegates. The steering committee of each candidate or uncommitted delegation shall have sole authority to establish rules and procedures by which the caucuses of that candidate or uncommitted delegation shall be conducted. Such rules and procedures shall be uniform statewide. Each caucus shall recommend 10 delegates, ranked according to the popular vote each receives in the caucus election, provided, however, that the candidate for President or the steering committee on behalf of the candidate for President shall retain the right to reject and replace individual delegates nominated by the caucus. No provision of the law shall be construed as a constraint on the right of the candidate for President, or the steering committee, on his or her behalf, to select delegates whether or not recommended by the caucus.

Each participant at each caucus shall reside in and be a registered Democrat of the congressional district of the caucus he or she attends and each shall sign a statement of support for that presidential candidate or uncommitted delegation. Delegates selected by a steering committee who have failed to sign a statement of support for their presidential candidate, as prescribed in Section 6328, shall

sign such a statement.

On or before April 16 of the presidential primary year, the chairperson of a steering committee shall file with the Secretary of State a statement containing the names of potential delegates from each congressional district. In all cases, the slate for each congressional district shall be equal to the number of delegates allotted to each congressional district pursuant to Article 2 (commencing with Section 6305) of this chapter.

SEC. 50. Section 9700 of the Elections Code is amended to read:

9700. In each county containing less than five Assembly districts or portions thereof, except the City and County of San Francisco, a county central committee of at least 25 members shall be elected by supervisor districts, and the number elected from each supervisor district shall be determined as follows:

The number of voters registered as members of the American Independent Party, as reflected in the statement of voters and their political affiliations transmitted to the Secretary of State on or before the 135th day before any primary election, shall be divided by 25. The number thus derived shall be divided into the number of American Independent Party voters registered in each supervisor district, and the integer nearest the resulting quotient shall be the number of central committee members to be elected to represent that supervisor district

SEC. 51. Section 18292 of the Financial Code is amended to read:

18292. If credit disability insurance is provided pursuant to this division, it shall not provide indemnity against the risk of a borrower becoming disabled for a period of less than 14 days Such insurance may provide indemnity for any single period of continuous disability of 14 days or longer, after which the risk may become compensable. In no event shall any such credit disability insurance provide for retroactive coverage to an earlier date based upon such disability having continued for a period stated in the policy, or for any other reason. Credit disability insurance, if made available by an industrial loan company, shall be available on a monthly or annual premium basis, and the premium by the month shall not exceed a pro rata relationship to the annual premium. Credit disability insurance need not be offered for a period less than the term of the loan to which it is applicable and no such credit disability insurance shall be written for a period in excess of the term of the loan to which it is applicable.

SEC. 52. Chapter 10 (commencing with Section 6051) of Part 1 of Division 4 of the Food and Agricultural Code is repealed.

SEC. 53. The heading of Chapter 11 (commencing with Section 6101) of Part 1 of Division 4 of the Food and Agricultural Code is amended and renumbered to read:

CHAPTER 10. CAPRIFIGS AND CAPRIFIG TREES

SEC. 54. Section 33732 of the Food and Agricultural Code is amended to read·

33732. Except as otherwise provided in Section 33733, minimum construction standards for new milk products plants shall include a separate room for each of the following operations:

(a) Receiving and weighing of milk or cream, and washing and sterilizing of containers in which milk or cream is received.

(b) Pasteurization, processing, cooling, and manufacturing.

(c) Washing and sterilizing bottles or cans which are used in the delivery of milk or cream to the wholesale or retail trade.

(d) Bacteriological and chemical analyses.

(e) Adequate and efficient cold storage room or rooms mechanically equipped and operated.

(f) Boiler, compressor, and other machinery.

(g) Storing of supplies.

(h) Toilets, lavatories, and lockers.

SEC. 55. Section 38783 of the Food and Agricultural Code is amended to read:

38783. Whipped cream mix or cream topping mix shall be served only from a pressurized container which is charged with nitrous oxide or other approved inert harmless gas. The charging of containers with the gas shall be done either in a licensed milk products plant or in premises where food and drink are served to the public.

SEC. 56. Section 56316 of the Food and Agricultural Code is amended to read:

56316. (a) Except as otherwise provided in this section, any person who sells or furnishes livestock to a meatpacker, shall have a lien, not dependent upon possession, on such livestock and upon the identifiable proceeds and products thereof, for the unpaid part of the purchase price, or for the unpaid value of the livestock at the time of the transfer of possession if no purchase price has been agreed upon. The lien shall commence on the date of the transfer of possession of the livestock to the meatpacker and shall have priority over all other liens upon, and security interests in, the livestock and the identifiable proceeds and products thereof, without regard to the time of attachment or perfection of such other liens or security interests and shall remain a lien upon the livestock and the identifiable proceeds and products thereof notwithstanding sale, exchange, or other disposition thereof.

(b) Notwithstanding the provisions of subdivision (a), a buyer in the ordinary course of business, as that term is defined in paragraph (9) of Section 1201 of the Commercial Code, shall take free of such lien even though such buyer knows of the existence of such lien.

(c) Notwithstanding the provisions of subdivision (a), such lien shall cease to be of any force or effect after the expiration of 21 days from the date of delivery of the livestock unless a notice of lien is filed pursuant to subdivision (e), in which case the lien shall remain effective as long as such notice shall remain effective.

(d) No person shall have a lien pursuant to subdivision (a) to the extent that such person shall have made the livestock available to the

meatpacker on credit terms.

(e) Any person selling or delivering livestock who claims a lien under this article shall file a statement with the Secretary of State and a copy thereof with the director both, within 21 days after delivery of the livestock to the meatpacker. The statement shall be in writing, verified by the oath of the person filing, and shall contain all of the following:

(1) The name and address of the person filing.

(2) A statement of the amount demanded by the person filing the statement after deducting all credits and offsets.

(3) The name and address of the meatpacker who received the livestock.

(4) A description of the livestock delivered to the meatpacker and the date of delivery.

(5) A statement that the amount claimed is a true and bona fide existing debt as of the date of the statement.

(6) A statement that the amount claimed is a true and bona fide existing debt as of the date on which payment was due for the livestock.

(g) Every statement which is filed shall be accompanied by the fees required by Chapter 4 (commencing with Section 9401) of Division 9 of the Commercial Code in the case of a financing statement not on the standard form and shall remain effective for a period of five years from the date of filing.

SEC. 57. The heading of Chapter 4 (commencing with Section 63001) of Part 3 of Division 21 of the Food and Agricultural Code is amended and renumbered to read:

CHAPTER 5. MARKETING OF AVOCADOS

SEC. 58. Section 3311 of the Government Code is amended to read:

3311. Nothing in this chapter shall in any way be construed to limit the use of any public safety agency or any public safety officer in the fulfilling of mutual aid agreements with other jurisdictions or agencies, nor shall this chapter be construed in any way to limit any jurisdictional or interagency cooperation under any circumstances where such activity is deemed necessary or desirable by the jurisdictions or the agencies involved.

SEC. 59. Section 6103.1 of the Government Code is amended to read:

6103.1. Section 6103 does not apply to any fee or charge for official services required by Parts 2(commencing with Section 1200) 3 (commencing with Section 2000), and 4 (commencing with Section 4000) of Division 2 of the Water Code.

SEC. 60. Section 6254 of the Government Code is amended to read:

6254. Except as provided in Section 6254.7, nothing in this chapter shall be construed to require disclosure of records that are:

(a) Preliminary drafts, notes, or interagency or intra-agency memoranda which are not retained by the public agency in the

ordinary course of business, provided that the public interest in withholding such records clearly outweighs the public interest in disclosure;

(b) Records pertaining to pending litigation to which the public agency is a party, or to claims made pursuant to Division 3.6 (commencing with Section 810) of Title 1 of the Government Code, until such litigation or claim has been finally adjudicated or otherwise settled;

(c) Personnel, medical, or similar files, the disclosure of which would constitute an unwarranted invasion of personal privacy;

(d) Contained in or related to:

(1) Applications filed with any state agency responsible for the regulation or supervision of the issuance of securities or of financial institutions, including, but not limited to, banks, savings and loan associations, industrial loan companies, credit unions, and insurance companies;

(2) Examinations, operating, or condition reports prepared by, on behalf of, or for the use of any state agency referred to in subdivision (1);

(3) Preliminary drafts, notes, or interagency or intra-agency communications prepared by, on behalf of, or for the use of any state agency referred to in subdivision (1); or

(4) Information received in confidence by any state agency referred to in subdivision (1).

(e) Geological and geophysical data, plant production data and similar information relating to utility systems development, or market or crop reports, which are obtained in confidence from any person;

(f) Records of complaints to or investigations conducted by, or records of intelligence information or security procedures of, the office of the Attorney General and the Department of Justice, and any state or local police agency, or any such investigatory or security files compiled by any other state or local agency for correctional, law enforcement or licensing purposes, except that local police agencies shall disclose the names and addresses of persons involved in, or witnesses other than confidential informants to, the incident, the description of any property involved, the date, time, and location of the incident, all diagrams, statements of the parties involved in the incident, the statements of all witnesses, other than confidential informants, to the persons involved in an incident, or an authorized representative thereof, an insurance carrier against which a claim has been or might be made, and any person suffering bodily injury or property damage as the result of the incident caused by arson, burglary, fire, explosion, robbery, vandalism, or a crime of violence as defined by subdivision (b) of Section 13960, unless the disclosure would endanger the safety of a witness or other person involved in the investigation or disclosure would endanger the successful completion of the investigation or a related investigation;

(g) Test questions, scoring keys, and other examination data used

to administer a licensing examination, examination for employment, or academic examination;

(h) The contents of real estate appraisals, engineering or feasibility estimates and evaluations made for or by the state or local agency relative to the acquisition of property, or to prospective public supply and construction contracts, until such time as all of the property has been acquired or all of the contract agreement obtained, provided, however, the law of eminent domain shall not be affected by this provision;

(i) Information required from any taxpayer in connection with the collection of local taxes which is received in confidence and the disclosure of the information to other persons would result in unfair competitive disadvantage to the person supplying such information;

(j) Library and museum materials made or acquired and presented solely for reference or exhibition purposes;

(k) Records the disclosure of which is exempted or prohibited pursuant to provisions of federal or state law, including, but not limited to, provisions of the Evidence Code relating to privilege;

(*l*) Correspondence of and to the Governor or employees of the Governor's office or in the custody of or maintained by the Governor's legal affairs secretary, provided public records shall not be transferred to the custody of the Governor's legal affairs secretary to evade the disclosure provisions of this chapter;

(m) In the custody or maintained by the Legislative Counsel;

(n) Statements of personal worth or personal financial data required by a licensing agency and filed by an applicant with such licensing agency to establish his personal qualification for the license, certificate, or permit applied for; and

Nothing in this section is to be construed as preventing any agency from opening its records concerning the administration of the agency to public inspection, unless disclosure is otherwise prohibited by law.

SEC. 61. Section 6546.1 of the Government Code is amended to read:

6546.1. In the County of Los Angeles, any agency, commission, or board provided for by joint powers agreement entered into by cities pursuant to Article 1 (commencing with Section 6500) of this chapter for the purpose of the acquisition, operation, repair, maintenance and administration of the Hollywood-Burbank Airport as a public airport, pursuant to the Federal Aviation Act of 1958, as amended, may carry out such purpose and may authorize the issuance of revenue bonds, pursuant to this article, to pay for acquiring, repairing, and financing such project including all facilities and improvements and all expenses incidental thereto or connected therewith. Property tax revenues accruing to, levied by, or collected by any local agency which is a party to such a joint powers agreement shall not be used to redeem such revenue bonds unless an ordinance authorizing the use of such property tax revenues for such purposes is approved by a majority vote of the electors of the local agency

voting on the issue. In operating the airport, the separate public entity above mentioned shall not permit or authorize any activity in conjunction with the airport which results in an increase in the size of the noise impact area based on a community noise equivalent level of 70 decibels as established pursuant to Title 4, California Administrative Code, Chapter 9, Subchapter 6, and shall further comply with the future community noise equivalent levels prescribed by such title as it now exists or is hereafter amended.

The separate public entity shall implement the noise monitoring requirements set forth in Title 4, California Administrative Code, Chapter 9, Subchapter 6. In addition, the entity shall diligently pursue all reasonable avenues available to insure that the adverse effects of noise are being mitigated to the greatest extent reasonably possible.

The power to issue revenue bonds under this section shall be of no further force and effect after December 31, 1980, unless the entity is unable to accomplish the purpose of this section by reason of litigation, in which case this section shall continue to be effective until the final determination of such litigation and for one year thereafter.

SEC. 62. The heading of Chapter 19 (commencing with Section 7500) of Division 7 of Title 1 of the Government Code, as added by Chapter 1478 of the Statutes of 1974, is amended and renumbered to read:

CHAPTER 21. PUBLIC PENSION AND RETIREMENT PLANS

SEC. 63. The heading of Chapter 20 (commencing with Section 7525) of Division 7 of Title 1 of the Government Code, as added by Chapter 1079 of the Statutes of 1976, is amended and renumbered to read:

CHAPTER 22. LETTERS AND CORRESPONDENCE

SEC. 64. Section 7801 of the Government Code is amended and renumbered to read:

7526. In addition to the requirements of Section 7525, the letterhead or other prominent location on official stationery of each state agency, and county, city, including, but not limited to, a chartered city, and each school district, municipal corporation, district, political subdivision and board, commission, and agency thereof, and every other local public agency, used in communication with the public shall include, in addition to the telephone number of the agency, the address and telephone number, if different from the telephone number of the agency otherwise required to appear thereon, to which inquiry regarding the subject matter of the specific communication may be made. The address and telephone number may be typed or handwritten on the letterhead or other prominent location.

SEC. 65. Chapter 3.1 (commencing with Section 8220) is added to Division 1 of Title 2 of the Government Code, to read:

CHAPTER 3.1. COMMISSION ON THE STATUS OF WOMEN

8220. The Legislature finds and declares that despite the fact that women apparently have greater equality in California than in many states, they still are not able to contribute to society according to their full potential. With a view to developing recommendations which will enable women to make the maximum contribution to society, the Legislature has created the Commission on the Status of Women.

8221. There is in the state government the Commission on the Status of Women. The commission shall consist of 17 members: three Members of the Senate and one public member appointed by the Senate Committee on Rules, three Members of the Assembly and one public member appointed by the Speaker, the Superintendent of Public Instruction, the Chief of the Division of Industrial Welfare in the Department of Industrial Relations, and seven public members appointed by the Governor, with the consent of the Senate. The Members of the Legislature shall serve at the pleasure of the appointing powers.

Public member appointees of the Speaker and the Senate Committee on Rules, and appointees of the Governor shall serve four-year terms. All persons appointed pursuant to Section 2 of Chapter 1378, as amended by Chapter 382 of the Statutes of 1973, shall continue in office until the expiration of their term and the appointment of their successors. The appointing powers may reappoint a member whose term has expired, and shall immediately fill any vacancy for the unexpired portion of the term in which it occurs.

All appointees shall hold office until the appointment of their successors.

8222. (a) Each member of the commission shall be entitled to receive his actual necessary expenses while on official business of the commission.

(b) The commission shall select annually from its membership, a chairman and vice chairman.

8223. All meetings of the commission shall be open and public and all persons shall be permitted to attend any meetings of the commission.

8224. The commission shall have the powers and authority necessary to carry out the duties imposed upon it by this chapter, including, but not limited to, the following:

(a) To employ such administrative, technical and other personnel as may be necessary for the performance of its powers and duties.

(b) To hold hearings, make and sign any agreements and to do or perform any acts which may be necessary, desirable, or proper to carry out the purposes of this chapter.

(c) To cooperate with, and secure the cooperation of, any department, division, board, bureau, commission, or other agency of the state to facilitate it properly to carry out its powers and duties hereunder.

(d) To appoint advisers or advisory committees from time to time when the commission determines that the experience or expertise of such advisers or advisory committees is needed for projects of the commission. Section 11009 is applicable to advisers or advisory committees.

(e) To accept any federal funds granted, by act of Congress or by executive order, for all or any of the purposes of this chapter.

(f) To accept any gifts, donations, grants, or bequests for all or any of the purposes of this chapter.

8225. (a) The commission shall study the following:

(1) Women's educational and employment problems, needs, and opportunities.

(2) State laws in regard to the civil and political rights of women, including pensions, tax requirements, property rights, marriage and dissolution of marriage provisions, and similar matters.

(3) The effect of social attitudes and pressures and economic considerations in shaping the roles to be assumed by women in the society.

(4) Any laws, practices, or conditions concerning or affecting women which impose special limitations or burdens upon them or upon society, or which limit or tend to limit opportunities available to women.

(b) The commission shall act as an information center on the status of women and women's educational, employment, and other related needs.

(c) The commission shall recommend, develop, prepare, or coordinate materials, projects, or other activities, and shall give technical and consultative advice to public or private groups or persons concerned with any of the following:

(1) Preventing or minimizing problems brought about by the changing roles and responsibilities of women.

(2) Developing programs to encourage and enable women to be fully contributing members of society.

(d) A prime function of the commission shall be to encourage women's organizations and other groups to institute local self-help activities designed to meet women's educational, employment, and related needs. The commission shall make reports on its activities, findings, and recommendations to the Legislature from time to time, but not less often than every odd-numbered year.

SEC. 66. Section 9766 of the Government Code is amended to read:

9766. At the beginning of each volume of the statutes there shall be printed:

(a) The Constitution of the state.

(b) The name and place of residence of:

(1) The Governor.

(2) The Lieutenant Governor.

(3) The other executive officers of the state.

(4) The Senators and Members of the Assembly.

(5) The presiding officers of the Senate and Assembly.

(c) The certificate of the Secretary of State showing what acts, or sections or parts of acts of the Legislature are delayed from going into effect by a referendum petition properly certified and filed in his office.

(d) The certificate of the Secretary of State showing the result of all elections upon any initiative or referendum measures submitted to the electors of the state within the previous year.

(e) The text of all such initiative measures adopted by the electors.

SEC. 67. Section 11093 of the Government Code is amended to read:

11093. (a) The Department of Finance, the State Department of Health, and the Department of Transportation, shall, in the preparation and maintenance of any statistical analyses, by city, either by population, fiscal, or other bases, make a separate breakdown of the San Fernando Valley; provided, that the City of Los Angeles continues to provide all necessary data.

Any other state department which desires to do so may voluntarily supply statistical data for the San Fernando Valley statistical area.

(b) The State Controller may, upon request therefor contained in a motion adopted by the City Council of the City of Los Angeles, designate additional statistical areas within the City of Los Angeles, except that such additional statistical areas shall in no event exceed three in number.

(c) For purposes of this section, the San Fernando Valley is all the portion of Los Angeles City which is described as follows:

From a point commencing where the City of Los Angeles most northerly boundary intersects with the Golden State Freeway and following on the city boundary in an easterly direction where such boundary first intersects with the boundary of the City of Burbank; thence continuing southeasterly along the Burbank City boundary to its intersection with Barham Boulevard; thence in a southerly direction on Barham Boulevard to its intersection with Cahuenga Boulevard; thence in a southeasterly direction on Cahuenga Boulevard to Mulholland Drive; thence along Mulholland Drive to the Los Angeles City boundary; thence following the Los Angeles City boundary west and northerly until such boundary intersects with the starting point at the Golden State Freeway.

(d) No department of state government shall be required, by this section, to prepare or maintain any statistical information except the following·

(1) Existing information now prepared or maintained by city, or

(2) Information, by city, which is voluntarily prepared or maintained by the department in the future, or

(3) Information, by city, which is required to be prepared or maintained by future changes in legislation

This subdivision (d) is included as a clarification of legislative intent.

SEC. 68. Section 11554 of the Government Code is amended to read:

11554. An annual salary of twenty-seven thousand five hundred dollars ($27,500) shall be paid to each of the following:

(a) Director of Conservation
(b) Director of Fish and Game
(c) Executive Officer, Franchise Tax Board
(d) Director of Parks and Recreation
(e) Director of Rehabilitation
(f) Director of Veterans Affairs
(g) Director of Commerce
(h) Director of Consumer Affairs
(i) Members of the Unemployment Insurance Appeals Board
(j) State Architect
(k) Director of Forestry.

SEC. 69. Section 14379 of the Government Code is amended to read:

14379. Every contract awarded by any agency of the State of California pursuant to the provisions of this chapter or Chapter 9 (commencing with Section 90100) of Part 55 of Division 8 of Title 3 of the Education Code shall include in the general conditions of such contract at the time of award a clause in the following form:

"(a) Any dispute arising under or relating to the performance of this contract, which is not disposed of by agreement and is a claim subject to Section 14378 of the Government Code, shall be decided by the head of the agency awarding the contract or his duly authorized representative, who shall reduce his decision to writing in regard to the dispute and mail or otherwise furnish a copy thereof to the contractor. The decision of such party shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the contractor elects to file with the head of the agency a written appeal. Promptly upon receiving the appeal from the contractor, the head of the agency shall furnish a copy thereof to the Office of Administrative Hearings of the State of California. Pursuant to the rules and regulations adopted by the Office of Administrative Hearings pursuant to Section 14380 of the Government Code, a hearing shall be held upon the appeal. When such an appeal is taken, the preliminary decision which is the subject of the appeal shall not be pleaded as a defense, and the hearing afforded shall be a hearing de novo upon the merits. In addition, the provisions of Article 3 (commencing with Section 2016) of Chapter 3 of Title 3 of the Code of Civil Procedure shall be applicable to the hearings and the parties to the hearing shall have all the rights for discovery provided for by such provisions. However, such hearing shall be held only in the county wherein the work was performed under such contract unless the contractor and the state agency by written stipulation filed with the Office of Administrative Hearings agree to such hearing in some

other county. Pending final decision of a dispute hereunder, the contractor shall proceed diligently with the performance of the contract and in accordance with the written decision of the head of the agency or its authorized representative which is the subject of the contractor's appeal. Any such decision shall be subject to judicial review.

"(b) This "disputes" clause does not preclude consideration of questions of law in connection with decisions provided for in paragraph (a) above. Nothing in this contract, however, shall be construed as making final the decision of any administrative official or representative on a question of law.

"(c) When the Office of Administrative Hearings conducts a hearing on an appeal pursuant to paragraph (a), the hearing officer may apportion the costs of conducting such hearing between the parties in a manner which, in his discretion, is appropriate.

"(d) Either party to this contract may, subject to the provisions of paragraph (a), seek judicial review of the decision rendered by the Office of Administrative Hearings."

SEC. 70. Section 15275 of the Government Code, as added by Chapter 170 of the Statutes of 1953, is repealed.

SEC. 71. Section 16475 of the Government Code is amended to read:

16475. As of December 31 and June 30 all interest earned and other increment derived from investments made pursuant to this article shall, on order of the State Controller, be deposited in the Surplus Money Investment Fund. The State Controller, after deducting expenses incurred under this article by the State Treasurer in investing in securities or time bank or savings and loan association deposits and in collecting bonds and bond coupons, shall apportion as of December 31st and June 30th of each year to the following funds in the State Treasury all interest earned or increment derived from the investments authorized by this article for the six calendar months ending with such dates:

(a) The General Fund;

(b) Each fund into which are deposited or which contains moneys collected from any tax now or hereafter imposed by the state upon the manufacture, sale, distribution, or use of motor vehicle fuel, for use in motor vehicles upon the public streets and highways;

(c) Each fund into which are deposited or which contains moneys collected from motor vehicle and other vehicle registration license fees or from any other tax or license fee now or hereafter imposed by the state upon vehicles, motor vehicles or the operation thereof, except those taxes and license fees which, by the provisions of Section 4 of Article XXVI of the Constitution of this state are exempted from the provisions of Section 2 of said Article XXVI;

(d) Each fund into which are deposited or which contains moneys collected under the provisions of any law of this state relating to the protection, conservation, propagation, or preservation of fish, game, mollusks, or crustaceans, and fines imposed by any court for the

violation of any such law;

(e) Each fund into which are deposited or which contains moneys available for construction, repair, replacement, maintanance or operation of public works of the state, including, but not limited to, the facilities of the State Water Resources Development System, as defined in Section 12931 of the Water Code, toll facilities financed, built, or acquired pursuant to the California Toll Bridge Authority Act, or moneys available for the payment of principal or interest on bonds issued to provide for the construction of such facilities;

(f) Every other fund in respect to which the Board of Control on the advice of the Attorney General determines that the operation of the State or Federal Constitution prohibits the expenditure of interest received under this article and allocated on the basis of amounts in such fund for General Fund purposes.

(g) Each fund not included within subdivisions (a) to (f), inclusive, of this section.

Such apportionments shall be made by the State Controller in the following manner:

(1) All money not apportioned to the funds referred to in subdivisions (b), (c), (d), (e), (f), and (g) herein shall be apportioned to the General Fund.

(2) There shall be apportioned to each of the funds referred to in subdivisions (b), (c), (d), (e) (f), and (g) herein an amount directly proportionate to the respective amounts transferred from such funds to the Surplus Money Investment Fund and the length of time such amounts remained therein.

SEC. 72. Part 5 (commencing with Section 17300) of Division 4 of Title 2 of the Government Code is repealed.

SEC. 73. Section 18974 of the Government Code is amended to read:

18974. Such credit shall be added to the percentage attained in the examination by the veteran, widow or widower. The name of each shall be placed on the eligible list and he or she is eligible for appointment in the order and on the basis of the percentage attained in examination after the appropriate credit has been added. All ties shall be decided in favor of veterans and widows or widowers of veterans.

SEC. 74. Section 20022.2 of the Government Code, as added by Chapter 1115 of the Statutes of 1976, is amended and renumbered to read:

20022.3. Notwithstanding any other provision of this part, "compensation" shall not include employers' payments which are to be credited as employee contributions for benefits provided by this system, or employers' payments which are to be credited to employee accounts in deferred compensation plans; provided, that amounts deducted from a member's wages for participation in a deferred compensation plan pursuant to Section 20022 shall not be considered to be employer's payments.

SEC. 75. Section 29707.1 of the Government Code is amended to

read:

29707.1. In a county where the board of supervisors has adopted the procedures prescribed in Article 2 (commencing with Section 29740) of this chapter a claim against the county presented by a member of the board for per diem and mileage or for service rendered by him need not be presented to the district attorney or county counsel. The allowance of the claim by the auditor shall constitute authority for the issuance of a warrant on the county treasury for such an amount of each such claim as the auditor finds to be a correct and legal county charge.

This section shall not be operative in any county until such time as the board of supervisors shall, by resolution adopted by majority vote, make the provisions of this section applicable in such county.

SEC. 76. Section 31558.8 of the Government Code is repealed.

SEC. 77. Section 53090 of the Government Code is amended to read:

53090. As used in this article:

(a) "Local agency" means an agency of the state for the local performance of governmental or proprietary function within limited boundaries. "Local agency" does not include the state, a city, a county, a rapid transit district whose board of directors is appointed by public bodies or officers or elected from election districts within the area comprising the district, or a district organized pursuant to Part 3 (commencing with Section 27000) of Division 16 of the Streets and Highways Code.

(b) "Building ordinances" means ordinances of a county or city regulating building and construction and removal of buildings, including ordinances relating to the matters set forth in Section 38660 and similar matters, and including ordinances relating to building permits and building inspection.

SEC. 78. Section 53950 of the Government Code is amended to read:

53950. As used in this article, "special district" shall mean an agency of the state, formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries which utilizes the county treasury as a depository for its funds.

SEC. 79. Section 65906.5 of the Government Code is repealed.

SEC. 80. Section 69894.4 of the Government Code is amended to read:

69894.4. Notwithstanding the provisions of Section 69894.1, in the County of Los Angeles a majority of the judges of the superior court may appoint 260 court reporters, each of whom shall receive a salary equivalent to the schedule designation 50L in the salary ordinance of the county. Court reporters shall serve at the pleasure of the court and may at any time be removed by the court in its discretion.

Reduction of the schedule applicable to court reporters by reason of the adoption of this salary plan or subsequent reclassification of positions for organizational purposes shall not result in a lower salary

rate to incumbent court reporters. The court is authorized to regulate by rule the status of employees so affected.

SEC. 81. Section 74924 of the Government Code is amended to read:

74924. Subject to the provisions of Section 72001, the compensation of officers and attachés shall be governed as follows:

(a) The initial hiring rate for each position shall normally be at step A. If it is difficult to secure qualified personnel at such rate, or if a person of unusual qualifications is hired, the appointing authority, with the approval of the Board of Supervisors of the County of Tulare, may employ such person at one of the higher salary steps provided for the position.

(b) All increases in salary shall not be given as a matter of right but only when the presiding judge of the court determines that the officer or employee is properly entitled to receive it. Each person employed in the office of the clerk or marshal, including the clerk, may be advanced from step A to step B of a position following the completion of 13 full pay periods of service in the position. A person may be advanced to steps C, D, and E upon completion of 26 full pay periods of service in the same position.

(c) The salaries of municipal court officers and attachés may, upon recommendation by the appointing authority and approval of the board of supervisors, be adjusted in order to provide compensation which is comparable to compensation received by county employees of similar qualifications and experience and holding equal or comparable positions, as said comparability is determined by the board of supervisors. Any such adjustment shall be effective only until January 1, 1979.

(d) Certain classifications in the municipal court in Tulare County are deemed to be equivalent or related in responsibility and salary level to certain classifications in the service of Tulare County and whenever the salary of a class fication in the service of Tulare County is adjusted by the board of supervisors the salary of equivalent classifications and related classifications in the municipal courts in Tulare County shall be adjusted an equal number of ranges on the currently effective salary schedule established by the board of supervisors. Such adjustments shall be effective on the same date as the effective date of the action by the board of supervisors as it applies to classifications in the county service, but such adjustments shall be effective only until January 1, 1979.

The equivalent or related classifications are as follows:

Municipal court classification	County classification
Clerk, municipal court	Assistant county clerk
Assistant clerk municipal court	Court clerk IV
Court clerk III	Court clerk III
Senior clerk-typist	Senior clerk-typist
Intermediate clerk-typist	Intermediate clerk-typist

Marshal	Sheriff's sergeant
Deputy marshal	Bailiff

SEC. 82. Section 6086 of the Harbors and Navigation Code is repealed.

SEC. 83. Section 6309.6 of the Harbors and Navigation Code is amended to read:

6309.6. The district's manager, harbormaster or wharfinger, or any duly authorized representative of one of these persons, shall have the power to issue citations for violation of district ordinances in the manner provided by Chapter 5C (commencing with Section 853.5) of Title 3 of Part 2 of the Penal Code.

SEC. 84. Section 306 of the Health and Safety Code is amended and renumbered to read:

320. The Legislature finds and declares that many physical and mental disabilities can be prevented, or their impact on an individual lessened, when they are identified and treated before they become chronic and irreversible damage occurs. The Legislature finds and declares that a community-based program of early identification and referral for treatment of potential handicapping conditions will be effective in reducing the incidence of such conditions and will benefit the health and welfare of the citizens of this state.

It is the intent of the Legislature in enacting this article to establish child health and disability prevention programs, which shall be financed and have standards established at the state level and which shall be operated at the local level, for the purpose of providing early and periodic assessments of the health status of children. It is further intended that child health and disability prevention programs shall make maximum use of existing health care resources and shall utilize, as the first source of screening, the child's usual source of health care so that health screening programs are fully integrated with existing health services, that health care professionals be appropriately represented and utilized in these programs, that outreach programs be developed to stimulate the use of preventive health services, and that services offered pursuant to this part be efficiently provided and be of the highest quality.

SEC. 85. Section 306.5 of the Health and Safety Code is amended and renumbered to read:

320.5. A State Child Health Board is hereby established within the department which shall consist of nine voting members.

The Governor shall appoint the following five members of the board: a county health officer selected from a list of three nominees submitted by the California Conference of Local Health Officers, one physician and surgeon, one person representative of a child advocate organization, and two parents of children eligible for services pursuant to this article, who are not health care providers. The Chairman of the Senate Rules Committee shall appoint two members of the board: a pediatrician and a parent of an eligible child who is not a health care provider. The Speaker of the Assembly shall

appoint two members of the board: a pediatrician and a nurse whose speciality is child health. The Director of Health and the Superintendent of Public Instruction, or their designees, shall serve as ex officio, nonvoting members of the board. Except for existing members of the board, all appointments shall be for three years.

The members of the board shall serve without compensation but shall be reimbursed for any actual and necessary expenses incurred in connection with the performance of their duties under this article.

The board shall select its own chairman from among the nine appointed members by majority vote of the members and shall establish technical advisory committees as it deems necessary and desirable. Physician members of the board shall constitute a technical advisory committee for purposes of review of standards and regulations promulgated pursuant to subdivisions (a), (b), and (c). The board may utilize available department staff and staff of all other public and private agencies which have an interest in child health services.

The board shall meet on call of the board chairman, at least once annually, or as often as necessary to fulfill its duties. All meetings and records of the board shall be open to the public.

The board shall have the following powers, duties, and responsibilities:

(a) Review of standards for health screening, evaluation, and diagnostic procedures for community child health and disability prevention programs.

(b) Review of standards for directors of community child health and disability prevention programs.

(c) Review of standards for public and private health providers, facilities, and agencies which participate in community child health and disability prevention programs.

(d) Advising the director on the development of a five-year state plan for child health and disability prevention services.

(e) Periodic review of all child health and disability prevention services within California and conducting independent investigations and studies as necessary.

SEC. 86. Section 306.7 of the Health and Safety Code is amended and renumbered to read:

321. The department shall administer this article and shall adopt minimum standards for the approval of community child health and disability prevention programs and rules and regulations as necessary. Such standards shall allow necessary flexibility in the administration of county programs, taking into account the variability of county needs and resources. However, such standards, rules, and regulations may be adopted only with the advice and written recommendations of the board. Standards shall be adopted for:

(a) Education and experience requirements for directors of community child health and disability prevention programs.

(b) Health screening, evaluation, and diagnostic procedures for

child health and disability prevention programs.

(c) Public and private facilities and providers which may participate in community child health and disability prevention programs.

The department shall adopt a five-year state plan for child health and disability prevention services by October 1, 1977. The plan shall include a method for allocating child health and disability prevention funds to counties. The plan shall be reviewed and revised as necessary to provide a basis for allocating state child health and disability prevention program funds throughout the state.

SEC. 87. Section 307 of the Health and Safety Code is amended and renumbered to read:

321.2. The governing body of each county and counties shall establish a community child health and disability prevention program for the purpose of providing early and periodic assessments of the health status of children in the county or counties by July 1, 1974. However, this shall be the responsibility of the department for all counties which contract with the state for health services. Contract counties, at the option of the board of supervisors, may provide services pursuant to this article in the same manner as other county programs, provided such option is exercised prior to the beginning of each fiscal year. Each such plan shall include, but is not limited to, the following requirements:

(a) Outreach and educational services.

(b) Agreements with public and private facilities and practitioners to carry out the programs.

(c) Health screening and evaluation services.

(d) Referral for diagnosis or treatment when needed and methods for assuring referral is carried out.

(e) Recordkeeping and program evaluations.

The health screening and evaluation part of each community child health and disability prevention program plan shall include, but is not limited to, the following for each child:

(a) A health and development history

(b) An assessment of physical growth.

(c) An examination for obvious physical defects.

(d) Ear, nose, mouth, and throat inspection, including inspection of teeth and gums.

(e) Screening tests for vision, hearing, anemia, tuberculosis, diabetes, and urinary tract conditions.

(f) An assessment of nutritional status.

(g) An assessment of immunization status.

(h) Where appropriate, testing for sickle cell trait, lead poisoning, and other tests which may be necessary to the identification of children with potential disabilities requiring diagnosis and possibly treatment.

Standards for procedures to carry out health screening and evaluation services and to establish the age at which particular tests should be carried out shall be established by the director, with

review and recommendation by the board. However, a governing body may include additional health screening and evaluation procedures in its program if approved by the director and the board.

Each community child health and disability prevention program shall, pursuant to standards set by the director, establish a record system which contains a health case history for each child so that costly and unnecessary repetition of screening, immunization and referral will not occur and appropriate health treatment will be facilitated as specified in Section 323.5.

SEC. 88. Section 307.3 of the Health and Safety Code is amended and renumbered to read:

321.7. Each county shall appoint a local advisory board to assist in the administration of this article. The local advisory board shall include representatives from health professions concerned with child health, school health personnel, and parents of eligible children and shall, to the extent feasible, not be created separately from other health advisory bodies in the county.

The local advisory board shall:

(a) Review the community's child health needs and the adequacy of health care providers and facilities to meet those needs.

(b) Review the community child health and disability prevention plan.

(c) Advise and report directly to the governing body as to the program for child health and disability prevention.

The local advisory board shall also perform such other duties relating to child health which may be delegated to it by the board of supervisors.

SEC. 89. Section 308 of the Health and Safety Code is amended and renumbered to read:

322.5. (a) On or before October 1 of each year, each county program director shall submit a preliminary budget for the subsequent fiscal year which provides the following information:

(1) A summary of the previous year's activity, including the number of children screened, the number of children referred for diagnosis and treatment, by condition, and the cost of screening services.

(2) A summary description of the results of cases in which a treatable disability was identified and referral made.

(3) A projection and cost estimates of the number of children to be screened for the fiscal year for which the budget is being submitted.

(b) On or before March 15 of each year, each governing body shall submit a revised estimate relative to paragraphs (1), (2), and (3) of subdivision (a), at which time the community child health and disability prevention plan shall include the following:

(1) An assessment of the adequacy and availability of the facilities and providers to provide health screening diagnostic and treatment services.

(2) A description of the child health and disability prevention

program to be offered, including expected participating providers and outreach mechanisms to be utilized.

(3) A summary description of the current year's activity, including the number of children screened, the number of children referred for diagnosis and treatment, by condition, and the cost of screening services.

(4) A description of how existing school health resources, including school health personnel, are to be utilized for outreach and other services.

(5) A revision of budget estimates, including all sources of revenue, for the proposed budget year if such revisions are necessary to make the estimates compatible with the budget submitted by the Governor to the Legislature.

If the previous county plans approved by the department contain acceptable data with respect to the requirements of this subdivision, the county plan for the budget year need contain only revisions to the approved program.

The director shall determine the amount of state funds available for each county for specified services under an approved community child health and disability prevention plan from state funds appropriated for child health and disability prevention services.

If the amount appropriated in the Budget Act for such fiscal year as enacted into law differs from the amount in the budget submitted by the Governor for such fiscal year, each governing board shall submit an additional revised plan in the form and at the time specified by the department.

SEC. 90. Section 308.4 of the Health and Safety Code is amended and renumbered to read:

323.2. (a) In order to ensure the maximum utilization of the California Medical Assistance Program and other potential reimbursement sources, the state department shall develop a schedule and method of reimbursement at reasonable rates for services rendered pursuant to this article. Such reimbursement schedule shall include provision for well child examinations as well as for administrative expenses incurred by providers pursuant to meeting the provisions of this article. Inquiry shall be made of all recipients of services under this article as to their entitlement for third-party reimbursement for medical services. Where such entitlement exists it shall be billed. Notwithstanding the provisions of subdivision (c) of Section 14000 of the Welfare and Institutions Code and Section 14005 of such code, the California Medical Assistance Program shall be billed for services rendered pursuant to this article for every Medi-Cal eligible beneficiary.

(b) The state department and counties shall maximize the use of federal funds for carrying out the provisions of this chapter, including using state or county funds to match funds claimable under Title 19 of the Social Security Act. Services and administrative support costs claimable under federal law shall include, but not be limited to, outreach, health education, case management, resource

development, and training at state and local levels. Any federal funds received shall augment and not replace funds appropriated from the General Fund for carrying out the purposes of this chapter.

SEC. 91. Section 308.5 of the Health and Safety Code is amended and renumbered to read:

323.5. On and after July 1, 1976, each child eligible for services under this article shall, within 90 days after entrance into the first grade, provide a certificate approved by the State Department of Health to the school in which the child is to enroll documenting that within the prior 18 months the child has received the appropriate health screening and evaluation services specified in Section 321.2. A waiver signed by the child's parents or guardian indicating that they do not want or are unable to obtain such health screening and evaluation services for their children shall be accepted by the school in lieu of the certificate. If the waiver indicates that the parent or guardian was unable to obtain such services for the child, then the reasons why should be included in the waiver.

SEC. 92. Section 308.6 of the Health and Safety Code is amended and renumbered to read:

323.7. Any child between birth and 90 days after entrance into the first grade and all persons under 21 years of age who are eligible for the California Medical Assistance Program shall be eligible for services from the child health and disabilities prevention program in the county of which they are a resident. The department, with review and recommendation by the board, shall adopt rules and regulations specifying which age groups shall be given certain types of screening tests and recommendations for referral.

The first source of referral shall be the child's usual source of health care. If referral is required and no regular source of health care can be identified, the facility or provider providing health screening and evaluation services shall provide a list of three qualified sources of care, without prejudice for or against any specific source.

SEC. 93. Section 308.8 of the Health and Safety Code is amended and renumbered to read:

324.2. In cooperation with the county child health and disability prevention program, the governing body of every school district or private school which has children enrolled in kindergarten shall provide information to the parents or guardians of all children enrolled in kindergarten of the provisions of this article. Every school district or private school which has children enrolled in the first grade shall report by January 15 of each year to the county child health and disability prevention program, the State Department of Health, and the Department of Education the following information:

(a) The total number of children enrolled in first grade.

(b) The number of children who have had a health screening examination, as evidenced by the certificate required by Section 308.5.

(c) The number of children whose parents or guardian have given written notice pursuant to Section 323.5 that they do not want their

child to receive a health screening examination.

Each county child health and disability prevention program shall reimburse school districts for information provided pursuant to this section. The Superintendent of Public Instruction may withhold state average-daily-attendance funds to any school district for any child for whom a certification or parental waiver is not obtained.

SEC. 94. Section 308.9 of the Health and Safety Code is amended and renumbered to read:

324.5. All information and results of the health screening and evaluation of each child shall be confidential and shall not be released without the informed consent of a parent or guardian of the child.

The results of the health screening and evaluation shall not be released to any public or private agency, even with the consent of a parent or guardian, unless accompanied by a professional interpretation of what the results mean.

SEC. 95. Section 320 of the Health and Safety Code is repealed.

SEC. 96. Section 320.5 of the Health and Safety Code is repealed.

SEC. 97. Section 321 of the Health and Safety Code is repealed.

SEC. 98. Section 321.2 of the Health and Safety Code is repealed.

SEC. 99. Section 321.7 of the Health and Safety Code is repealed.

SEC. 100. Section 322.5 of the Health and Safety Code is repealed.

SEC. 101. Section 323.2 of the Health and Safety Code is repealed.

SEC. 102. Section 323.5 of the Health and Safety Code is repealed.

SEC. 103. Section 323.7 of the Health and Safety Code is repealed.

SEC. 104. Section 405 of the Health and Safety Code is amended to read:

405. The State Department of Health may maintain a program of accidental injury study and control, including but not limited to, all of the following:

(a) The conduct of studies to determine the health and human components of accidental injury.

(b) The study of factors associated with prompt and efficient emergency treatment of accidental injuries.

(c) The study of human and environmental factors in the occurrence of accidental injury.

(d) The development of control programs to reduce the frequency and severity of accidental injuries resulting from health and other human factors, either alone or in combination with environmental factors.

(e) Consultation with and assistance to local health departments and other agencies in the development and maintenance of programs for the prevention and control of accidental injuries.

SEC. 105. Section 1250.1 of the Health and Safety Code is amended to read:

1250.1. (a) Within 45 days after the effective date of this section, the state department shall adopt emergency regulations which define the following bed classifications for health facilities:

(1) General acute care,

(2) Skilled nursing,

(3) Intermediate care,

(4) Acute psychiatric,

(5) Specialized care, with respect to special hospitals only.

(b) Within 30 days after the adoption of such regulations, each category of health facility shall classify its beds according to one or more of the bed classifications enumerated in subdivision (a), and shall notify the state department in writing of such classification.

SEC. 106. Section 1357 of the Health and Safety Code is amended to read:

1357. (a) It is unlawful for any person to act as a solicitor or solicitor firm in this state unless such person has first secured from the commissioner a license, then in effect, authorizing such person to do so, or unless such person is exempted pursuant to the provisions of Section 1343, except that any person who files an application for a solicitor or solicitor firm license, and who pays the fee prescribed by this section on or before July 15, 1976, may act in the capacity for which such license application is filed until such time as the application is denied by the commissioner.

(b) An applicant for a solicitor or solicitor firm license under this article shall file with the commissioner an application in the form and with such supporting documents as the commissioner prescribes together with the fee prescribed by subdivision (d). The commissioner shall investigate applicants and licensees in such manner and in respect of such manner as the commissioner deems advisable.

(c) A solicitor's license shall be issued only to an individual. No individual may act as a solicitor except as an employee of a plan or solicitor firm.

(d) The fee for filing an application for a solicitor license is fifty dollars ($50), and payment of this amount shall keep the license, if granted, in effect during the calendar year during which it is granted, and if that year is an even-numbered year, during the following calendar year. Every solicitor who has secured a license from the commissioner shall, in order to keep such license in effect for an additional two-year period, pay a renewal fee of fifty dollars ($50) on or before the 15th day of December preceding the additional period.

(e) The fee for filing an application for a solicitor firm license shall be two hundred dollars ($200), and payment of this amount shall keep the license, if granted, in effect during the calendar year during which it is granted and if that year is an even-numbered year, during the following calendar year. Every solicitor firm which has secured a license from the commissioner shall, in order to keep such license in effect for an additional two-year period, pay a renewal fee of two hundred dollars ($200) on or before the 15th day of December preceding the additional period.

(f) The license of every solicitor and solicitor firm issued under this chapter shall remain in effect until revoked or suspended by the commissioner.

(g) The commissioner may, by regulation, reduce the fees required by subdivisions (d) and (e) for persons licensed pursuant to Chapter 5 (commencing with Section 1621) of Part 2 of Division 1 of the Insurance Code, but such reduced fees shall not be less than one-half of the fee prescribed in such subdivisions.

(h) Each application shall be accompanied by authorization for disclosure to the commissioner of the financial records of the solicitor or solicitor firm pursuant to Section 7473 of the Government Code.

SEC. 107. Section 3751 of the Health and Safety Code is amended to read:

3751. Unsanitary packing material shall not be used until it has been cleaned and disinfected to the satisfaction of the Department of Food and Agriculture, State Department of Health, or the agents of either or both, or by a county health officer.

SEC. 108. Section 10000 of the Health and Safety Code, as amended by Chapter 1893 of the Statutes of 1965, is repealed.

SEC. 109. Section 10000 is added to the Health and Safety Code, to read:

10000. Each live birth, fetal death, death, and marriage which occurs in the State shall be registered as provided in this division on the prescribed certificate forms. In addition, a report of every final divorce or annulment decree shall be filed with the State Registrar, as provided in this division.

SEC. 110. Section 13131.3 of the Health and Safety Code is amended to read:

13131.3. "Profoundly or severely mentally retarded persons" means any retarded person who is unable, or likely to be unable, to physically or mentally respond to an oral instruction relating to fire danger and unassisted take appropriate action relating to such danger. The determination as to such incapacity shall be made by the Director of Health, or his designated representative.

SEC. 111. Section 13143.1 of the Health and Safety Code is repealed.

SEC. 112. Section 13984 of the Health and Safety Code is amended to read:

13984. Reorganization shall not affect or impair the status or rights of any duly appointed employees of the fire department or district. Reorganization shall not affect or impair the status or rights of the governing body of the fire department or district if the petition for reorganization specifies (a) that the same elected board without change in number be retained; or (b) that the district board should be selected in the manner prescribed by subdivision (d) of Section 13831, except that a board of three or five directors, as prescribed in the petition for reorganization, shall be elected as provided in Chapter 4 (commencing with Section 13831) of this part at the next district election in April following the date of reorganization of the fire department or district under this part. The terms of the directors so elected shall be determined in the same manner as provided in Chapter 4 of this part in connection with the formation of a district

hereunder.

SEC. 113. Section 14896 of the Health and Safety Code is amended to read:

14896. As an alternative to posting and publication, notice in the form required in Section 14892 may be mailed to the property owners as their names and addresses appear from the last equalized assessment roll, or as they are known to the clerk.

SEC. 114. Section 18906 of the Health and Safety Code is amended to read:

18906. The commission shall appoint from the building construction industry, the occupancies to be affected by the proposed regulations, and interested governmental agencies, appropriate advisory panels to advise the commission and its staff with respect to building regulations. The persons appointed to such panels shall be specifically qualified in the type of work embraced by the building standards in question. It is the intent of this part that the commission shall make use of such panels when substantive changes are being considered. Such persons shall serve without compensation.

SEC. 115. Section 25490.5 of the Health and Safety Code is amended and renumbered to read:

25940.5. The Legislature finds and declares that tobacco smoke is a hazard to the health of the general public.

SEC. 116. Section 26013 of the Health and Safety Code is amended to read:

26013. "Food additive" means any substance, the intended use of which results or may reasonably be expected to result, directly or indirectly, in such substance becoming a component of the food or otherwise affecting characteristics of the food. This includes any substance or radiation source which is intended for use in producing, manufacturing, packing, treating, packaging, transporting, or holding any food.

The term "food additive" does not include any of the following:

(a) A pesticide chemical in or on a raw agricultural commodity.

(b) A pesticide chemical that is used, or intended for use, in the production, storage, or transportation of any raw agricultural commodity.

(c) A color additive.

(d) Any substance which is used in accordance with a sanction or approval granted prior to the enactment of the Food Additives Amendment of 1958 (72 Stat. 1784), pursuant to the federal act; the Poultry Products Inspection Act (71 Stat. 441; 21 U.S.C., Sec. 451 et seq.); the Meat Inspection Act of March 4, 1907 (34 Stat. 1260), as amended and extended (21 U.S.C., Sec. 71 et seq.); or the Food and Agricultural Code of this state.

SEC. 117. Section 26025 of the Health and Safety Code is amended to read:

26025. "Pesticide chemical" means any substance which alone, in chemical combination, or in formulation with one or more

substances, is an "economic poison" within the meaning of Section 12753 of the Food and Agricultural Code of this state or the Federal Insecticide, Fungicide, and Rodenticide Act (61 Stat. 163; 7 U.S.C., Sec. 135 et seq.), and which is used in the production, storage, or transportation of any raw agricultural commodity.

SEC. 118. Section 26522 of the Health and Safety Code is amended to read:

26522. Any food is adulterated if it is, bears, or contains any food additive which is unsafe within the meaning of Section 26504. If, however, a pesticide chemical has been used in or on a raw agricultural commodity in conformity with an exemption granted or a tolerance prescribed under this division or the Food and Agricultural Code and the raw agricultural commodity has been subject to processing, such as canning, cooking, freezing, dehydrating, or milling, the residue of such pesticide chemical remaining in or on such processed food shall not be deemed unsafe if the residue in or on the raw agricultural commodity has been removed to the extent possible in good manufacturing practice, and the concentration of the residue in the processed food when ready to eat is not greater than the tolerance prescribed for the raw agricultural commodity.

SEC. 119. Section 26531 of the Health and Safety Code is amended to read:

26531. Any food is adulterated if it is fresh meat and it contains any preservative or other chemical substance which is not approved for use in fresh meat by the department, the United States Department of Agriculture, or the Department of Food and Agriculture of this state.

SEC. 120. Section 26575 of the Health and Safety Code is amended to read:

26575. (a) No retail food production and marketing establishment shall advertise, label, or otherwise hold out as fresh any meat, poultry, or fish which has been previously frozen.

(b) For purposes of this section:

(1) "Frozen" means any meat, fish, or poultry stored in a room or compartment in which the temperature is plus five degrees Fahrenheit or lower.

(2) "Retail food production and marketing establishment" means any room, building, or place, or portion thereof, maintained, used, or operated for, or in conjunction with, the retail sale of food, or preparation of food. "Retail food production and marketing establishment" does not include any restaurant, such as any "itinerant restaurant," any "vehicle," and any "vending machine" as defined in Chapter 11 (commencing with Section 28520) of Division 22; any "bakery" as defined in Chapter 6 (commencing with Section 28190) of Division 22; any wholesale food manufacturing, distributing, or storage establishment, including, but not limited to, the licensed premises or branch office of any winegrower, any brandy manufacturer, or any wine blender, subject to the provisions

of Chapter 7 (commencing with Section 28280) of Division 22; any frozen food locker plant subject to the provisions of Chapter 12 (commencing with Section 28700) of Division 22; any health facility subject to the provisions of Chapter 2 (commencing with Section 1250) of Division 2; any community care facility subject to the provisions of Chapter 3 (commencing with Section 1500) of Division 2; or any "official establishment" subject to the provisions of Chapter 4 (commencing with Section 18650) of Part 3 of Division 9 of the Food and Agricultural Code.

SEC. 121. Section 27000 of the Health and Safety Code is amended to read:

27000. "Processed pet food" means a food for pets which has been prepared by heating, drying, semidrying, canning, or by a method of treatment prescribed by regulation of the State Department of Health. The term includes special diet, health foods, supplements, treats and candy for pets, but does not include fresh or frozen pet foods subject to the control of the Department of Food and Agriculture of this state.

SEC. 122. Section 27002 of the Health and Safety Code is amended to read:

27002. "Pet food ingredients" means each of the constituent materials making up a processed pet food. Pet food ingredients of animal or poultry origin shall be only from animals or poultry slaughtered or processed in an approved or licensed establishment. Such animal or poultry ingredients condemned for human food but passed for animal food in an establishment inspected by the United States Department of Agriculture or the Department of Food and Agriculture of this state may be used for pet food, provided it is properly denatured or handled in accordance with this chapter and regulations of the State Department of Health and the regulations of the Department of Food and Agriculture of this state so as to render the ingredients safe for pet food. Animals or poultry classified as "deads" are prohibited.

SEC. 123. Section 27030 of the Health and Safety Code is amended to read:

27030. A pet food ingredient or a processed pet food shall be deemed to be adulterated:

(a) If it bears or contains any poisonous or deleterious substance which may render it injurious to health; but in case the substance is not an added substance, such pet food shall not be considered adulterated under this subdivision if the quantity of such substance in such pet food does not ordinarily render it injurious to health.

(b) If it bears or contains any added poisonous or deleterious substance, any food additive, any pesticide chemical, or any color additive which is unsafe within the meaning of the Federal Food, Drug and Cosmetic Act, or Division 21 (commencing with Section 26000) of this code, or Division 7 (commencing with Section 12501) of the Food and Agricultural Code.

(c) If it contains a pet food ingredient for which a standard of

identity has been established and such pet food ingredient fails to meet that standard.

(d) If it has been produced, prepared, packed or held under insanitary conditions whereby it may have become contaminated with filth, or whereby it may have been rendered diseased, unwholesome or injurious to health.

(e) If its container is composed, in whole or in part, of any poisonous or deleterious substance which may render the contents injurious to health.

(f) If any valuable constituent has been in whole or in part omitted or abstracted therefrom.

(g) If any substance has been substituted wholly or in part therefor.

(h) If damage or inferiority has been concealed in any manner.

(i) If any substance has been added thereto or mixed or packed therewith so as to increase its bulk or weight or reduce its quality or strength or make it appear better or of greater value than it is.

SEC. 124. Section 28361 of the Health and Safety Code is amended to read:

28361. "Meat or meat products" as used in this chapter, means any meat or meat product or poultry or poultry product which is not subject to the inspection of the Bureau of Meat Inspection or the Bureau of Poultry Inspection of the Department of Food and Agriculture, or of the Meat Inspection Division or Poultry Division of the United States Department of Agriculture, or of an approved municipal inspection department or establishment.

SEC. 125. Section 28801 of the Health and Safety Code is amended to read:

28801. "Food," as used in this chapter, means all articles used for food, drink, confection, or condiment, for human consumption, or consumption by any animal which is maintained in the home as a pet, whether simple or compound, and all substances and ingredients used in the preparation thereof. The term, however, does not include any commercial feed as defined in Section 14902 of the Food and Agricultural Code.

SEC. 126. Section 28802 of the Health and Safety Code is amended to read:

28802. "Retail food production and marketing establishment," as used in this chapter, means any room, building, or place, or portion thereof, maintained, used, or operated for, or in conjunction with, the retail sale of food, or preparation of food. Retail food production and marketing establishment does not include a restaurant, including an "itinerant restaurant," "vehicle" and "vending machine" as defined in Chapter 11 (commencing with Section 28520) of this division, "bakery" as defined in Chapter 6 (commencing with Section 28190) of this division, wholesale food manufacturing, distributing or storage establishment, including, but not limited to, the licensed premises or branch office of a winegrower, brandy manufacturer, or wine blender, subject to the

provisions of Chapter 7 (commencing with Section 28280) of this division, or a locker plant subject to the provisions of Chapter 12 (commencing with Section 28700) of this division, health facilities subject to the provisions of Chapter 2 (commencing with Section 1250) of Division 2 of this code, or official meat establishments subject to the provisions of the Food and Agricultural Code.

SEC. 127. Section 28810 of the Health and Safety Code is amended to read:

28810. "Potentially hazardous food" means any food which consists in whole or in part of ingredients capable of supporting rapid and progressive growth of infectious or toxicogenic micro-organisms, including, but not limited to milk or milk products, eggs, meat, poultry, fish, or shellfish. "Potentially hazardous food" shall not include food that has been processed and packaged so as to prevent the growth of pathogenic micro-organisms, or any uncracked shell eggs which are not inedible eggs as defined in Section 27520 of the Food and Agricultural Code.

SEC. 128. Section 32108 of the Health and Safety Code is amended to read:

32108. Any director or officer of the district who is in any manner interested in any contract awarded or to be awarded by the board, or in the profits to be derived from the contract, is guilty of a misdemeanor. Conviction shall also work a forfeiture of his office.

A director or officer shall not be deemed to be interested in a contract within the meaning of this section, or in the profits to be derived therefrom, solely by reason of his membership in a nonprofit corporation formed under the Food and Agricultural Code, or in a nonprofit corporation formed under the Corporations Code for the sole purpose of engaging in the merchandising of agricultural products providing that the fact of such membership is disclosed or known to the governing board and noted in the minutes, and the governing board thereafter authorizes, approves, or ratifies the contract in good faith by a vote sufficient for the purpose without counting the vote of such director or officer.

SEC. 129. Section 33328.4 of the Health and Safety Code is amended to read:

33328.4. The State Board of Equalization shall establish a schedule of fees for filing and processing the statements and maps which are required to be filed with the State Board of Equalization pursuant to Section 33327 or 33328.3. Such schedule shall not include any fee which exceeds the reasonably anticipated cost to the State Board of Equalization of performing the work to which the fee relates. The agency forwarding the statement and map pursuant to Section 33327 or 33328.3 shall accompany the statement and map with the necessary fee.

SEC. 130. Section 33675 of the Health and Safety Code, as added by Chapter 1162 of the Statutes of 1976, is amended and renumbered to read:

33676. (a) Prior to the adoption by the legislative body of a

redevelopment plan providing for tax-increment financing pursuant to Section 33670, any affected taxing agency may elect to be allocated, in addition to the portion of taxes allocated to the affected taxing agency pursuant to subdivision (a) of Section 33670, all or any portion of the tax revenues allocated to the agency pursuant to subdivision (b) of Section 33670 attributable to increases in the rate of tax imposed for the benefit of the taxing agency which levy occurs after the tax year in which the ordinance adopting the redevelopment plan becomes effective.

(b) The governing body of any affected taxing agency electing to receive allocation of taxes pursuant to this section in addition to taxes allocated to it pursuant to subdivision (a) of Section 33670 shall adopt a resolution to that effect and transmit the same, prior to the adoption of the redevelopment plan, to (1) the legislative body, (2) the agency, and (3) the official or officials performing the functions of levying and collecting taxes for the affected taxing agency. Upon receipt by such official or officials of such resolution, allocation of taxes pursuant to this section to the affected taxing agency which has elected to receive the allocation pursuant to this section by the adoption of such resolution shall be made at the time or times allocations are made pursuant to subdivision (a) of Section 33670.

(c) An affected taxing agency, at any time after the adoption of such resolution, may elect not to receive all or any portion of the additional allocation of taxes pursuant to this section by rescinding such resolution or by amending the same, as the case may be, and giving notice thereof to the legislative body, the agency, and the official or officials performing the functions of levying and collecting taxes for the affected taxing agency. After receipt of a notice by such official or officials that an affected taxing agency has elected not to receive all or a portion of the additional allocation of taxes by recission or amendment of the resolution, any allocation of taxes to the affected taxing agency required to be made pursuant to this section shall not thereafter be made but shall be allocated to the agency and such affected taxing agency shall thereafter be allocated only the portion of taxes provided for in subdivision (a) of Section 33670. After receipt of a notice by such official or officials that an affected taxing agency has elected to receive additional tax revenues attributable to only a portion of the increases in the rate of tax, only that portion of the tax revenues shall thereafter be allocated to the affected taxing agency in addition to the portion of taxes allocated pursuant to subdivision (a) of Section 33670 and the remaining portion thereof shall be allocated to the agency.

(d) As used in this section, "affected taxing agency" means and includes every public agency for the benefit of which a tax is levied upon property in the project area, whether levied by the public agency or on its behalf by another public agency.

(e) This section shall apply only to redevelopment projects for which a final redevelopment plan is adopted pursuant to Article 5 (commencing with Section 33360) of Chapter 4 of this part on or

after January 1, 1977.

SEC. 131. Section 33675 of the Health and Safety Code, as added by Chapter 1338 of the Statutes of 1976, is amended and renumbered to read:

33677. The amount of taxes allocated to the redevelopment agency pursuant to Section 33670 shall be separately computed for each constituent project area merged into a single project area pursuant to Section 33460, and for the original project area and each separate addition of land to the project area made by amendment of the redevelopment plan pursuant to Section 33450. The section is declaratory of existing law with respect to amendments to redevelopment plans.

SEC. 132. Section 34142 of the Health and Safety Code is amended to read:

34142. All property of a commission, including funds, owned or held by it for the purposes of this part shall be exempt from levy and sale by virtue of an execution or other judicial process. Execution or other judicial process shall not issue against such property of a commission nor shall any judgment against a commission be a charge or lien upon such property. This section does not apply to or limit the right of obligees to foreclose or otherwise enforce any mortgage, deed of trust, or other encumbrance of an agency or the right of obligees to pursue any remedies for the enforcement of any pledge or lien given by a commission on its rents, fees, or revenues.

SEC. 133. The heading immediately preceeding Section 37683 of the Health and Safety Code is amended to read:

CHAPTER 6. SUPPLEMENTAL AND ADDITIONAL AUTHORITY

SEC. 134. Section 38500 of the Health and Safety Code is amended to read:

38500. This chapter shall not be construed to terminate any appointment of the state department as guardian of a developmentally disabled person prior to July 1, 1971.

It is the intent of this section that the Director of Health be appointed as guardian or conservator of a developmentally disabled person as provided, pursuant to the provisions of Article 7.5 (commencing with Section 416) of Chapter 2 of Part 1 of Division 1.

Notwithstanding Section 6000 of the Welfare and Institutions Code, the admission of an adult developmentally disabled person to a state hospital or private institution shall be upon the application of the person's parent or guardian or conservator in accordance with the provisions of Sections 38221 and 38453. Any person so admitted to a state hospital may leave the state hospital at any time, if such parent, guardian, or conservator gives notice of his desire for the departure of the developmentally disabled person to any member of the hospital staff and completes normal hospitalization departure procedures.

Notwithstanding the provisions of Section 38216, any adult developmentally disabled person who is competent to do so may apply for and receive any services provided by a regional center.

SEC. 135. Section 1063.1 of the Insurance Code is amended to read:

1063.1. As used in this article:

(a) "Member insurer" means an insurer required to be a member of the association in accordance with the provisions of subdivision (a) of Section 1063, except and to the extent that such insurer is participating in an insolvency program adopted by the United States government.

(b) "Insolvent insurer" means a member insurer for which a domiciliary or ancillary liquidator has been appointed in this state after the effective date of this article.

(c) (1) "Covered claims" means the obligations of an insolvent insurer, (i) imposed by law and arising out of an insurance policy of the insolvent insurer; (ii) which were unpaid by the insolvent insurer; (iii) which are presented as a claim to the liquidator in this state or to the association on or before the last date fixed for the filing of claims in the domiciliary liquidating proceedings; (iv) which were incurred prior to, on, or within 30 days after the date the liquidator was appointed; (v) for which the assets of the insolvent insurer are insufficient to discharge in full; (vi) in the case of a policy of workers' compensation insurance, to provide workers' compensation benefits under the Workers' Compensation Law of this state and (vii) in the case of other classes of insurance if such policy is issued to a resident of this state or claim against an insured thereunder is made by a resident of this state.

(2) "Covered claims" shall not include any obligations arising from life, title, surety, disability, credit, mortgage, or mortgage guaranty insurance, nor arising from a policy of ocean marine insurance.

(3) "Covered claims" shall not include any obligations to refund unearned premiums, nor any obligations of the insolvent insurer arising out of any reinsurance contracts, nor any obligations incurred after the expiration date of the insurance policy or after the insurance policy has been replaced by the insured or canceled at the insured's request or after the insurance policy has been canceled by the association as provided in this chapter, nor any obligations to any state or to the federal government

(4) "Covered claims" shall not include any obligations to insurers, insurance pools, or underwriting associations, except as otherwise provided in this chapter.

(5) "Covered claims," except in the case of a claim for workers' compensation benefits, shall not include any claim in an amount of one hundred dollars ($100) or less, nor the first one hundred dollars ($100) of any claim in excess of one hundred dollars ($100), nor that portion of any claim which is in excess of any applicable limits provided in the insurance policy issued by the insolvent insurer.

(6) "Covered claims" shall not include that portion of any claim, other than a claim for workers' compensation benefits, which is in

excess of five hundred thousand dollars ($500,000).

(7) "Covered claims" shall not include (a) any claim to the extent it is covered by any other insurance of a class covered by the provisions of this article available to the claimant nor (b) any claim by any person other than the original claimant under the insurance policy in his own name, his executor, administrator, guardian or other personal representative or trustee in bankruptcy and shall not include any claim asserted by an assignee or one claiming by right of subrogation, except as otherwise provided in this chapter.

(8) "Covered claims" shall not include any obligations arising out of the issuance of an insurance policy written by the separate division of the State Compensation Insurance Fund pursuant to the provisions of Sections 11802 and 11803.

(d) "Admitted to transact insurance in this state" means an insurer possessing a valid certificate of authority issued by the California Department of Insurance.

SEC. 136. Section 1280.7 of the Insurance Code is amended to read:

1280.7. This chapter and the other provisions of this code shall not apply to or affect unincorporated interindemnity or reciprocal or interinsurance contracts between members of a cooperative corporation, organized and operating under Part 2 (commencing with Section 12200) of Division 3 of Title 1 of the Corporations Code whose members consist solely of physicians and surgeons licensed in California, which contracts indemnify solely in respect to medical malpractice claims against such members, and which do not collect in advance of loss any moneys other than contributions by each member to a collective reserve trust fund or for necessary expenses of administration, provided that, in connection with such interindemnity, reciprocal, or interinsurance contracts all of the following conditions are met:

(a) Each participating member shall enter into and, concurrently therewith, receive an executed copy of a trust agreement, which shall govern the collection and disposition of all funds of the interindemnity arrangement.

The trust agreement shall, as a minimum, contain provision for all the following matters:

(1) An initial trust corpus of not less than ten million dollars ($10,000,000), which corpus shall be a trust fund to secure enforcement of the interindemnity arrangement. The average initial contribution to such corpus shall be not less than twenty thousand dollars ($20,000) per member participating in the interindemnity arrangement. No such interindemnity arrangement shall become operative until the requisite minimum reserve trust fund has been established by such participating members.

(2) The reserve trust fund created by such trust agreement shall be administered by a board of trustees of three or more members, all of whom shall be physicians and surgeons licensed in California, participating members in the interindemnity arrangement, and elected biennially or more frequently by at least a majority of all

members participating in the interindemnity arrangement.

(3) The board of trustees shall be the custodian of all funds of the interindemnity arrangement, and all such funds shall be deposited in such bank or banks and savings and loan associations in California as the board may designate, and each such account shall require two or more signatories for withdrawal of funds. The authorized signatories shall be appointed by the board and shall be physicians and surgeons licensed in California and participating members in the interindemnity arrangement. Each signatory on such accounts shall maintain, at all times while empowered to draw on such funds, for the benefit of the interindemnity arrangement, a bond against loss suffered through embezzlement, mysterious disappearance, holdup or burglary or other loss issued by a bonding company licensed to do business in California in a penal sum of not less than one hundred thousand dollars ($100,000).

(4) All funds held in trust which are in excess of current financial needs shall be invested and reinvested from time to time, under the direction of the board of trustees, in eligible securities, as defined in Section 16430 of the Government Code, or in certificates of deposits or time deposits issued by banks and savings and loan associations in California duly insured by instrumentalities of the United States government.

(5) The income earned on the corpus of the trust fund shall be the source for the payment of the claims, costs, judgments, settlements, and costs of administration contemplated by such interindemnity arrangement, and to the extent such income is insufficient for such purposes, the board of trustees shall have the power and authority to assess participating members for all amounts necessary to meet the obligations of such interindemnity arrangement in accordance with the terms thereof and any such assessment levied against a member shall be the personal obligation of such member. Any person who obtains a final judgment of recovery for medical malpractice against a member of such interindemnity arrangement shall have, in addition to any other remedy, the right to assert directly all rights to indemnification which the judgment debtor has under the interindemnity arrangement. Such final judgment shall be a lien on the reserve trust fund to secure payment of such judgment, limited to the extent of the judgment debtor's rights to indemnification.

(6) Each participating member shall be covered by such interindemnity arrangement for not less than one million dollars ($1,000,000) for each occurrence of professional negligence, with the terms and conditions of such coverage to be specified in the trust agreement, except that such interindemnity arrangement may provide participating members with less than one million dollars ($1,000,000) of such coverage if the interindemnity arrangement obtains for the benefit of such members reinsurance of excess limits coverage in an amount which when added to the coverage provided by such interindemnity arrangement would equal not less than one

million dollars ($1,000,000) for each occurrence of professional negligence.

(7) Withdrawal of all, or any portion of, the corpus of the reserve trust fund shall be upon the written authorization signed by at least two-thirds of the members of the board of trustees.

(8) The board of trustees shall cause both of the following to be furnished to each member participating in such interindemnity arrangement, and to be filed with the Commissioner of Corporations:

(A) Within 90 days after the end of each fiscal year a statement of the assets and liabilities of the interindemnity arrangement as of the end of such year, a statement of the revenue and expenditures of the interindemnity arrangement, and a statement of the changes in corpus of the reserve trust for such year, in each case accompanied by a certificate signed by a firm of independent certified public accountants selected by the board of trustees indicating that such firm has conducted an audit of such statements in accordance with generally accepted auditing standards and indicating the results of such audit.

(B) Within 45 days after the end of each of the first three quarterly periods of each fiscal year a statement of the assets and liabilities of the interindemnity arrangement as of the end of such quarterly period, a statement of the revenue and expenditures of the interindemnity arrangement and a statement of the changes in corpus of the reserve trust for such period, in each case accompanied by a certificate signed by a majority of the members of the board of trustees to the effect that such statements were prepared from the official books and records of the interindemnity arrangement.

(C) In addition to the statements required to be filed pursuant to this paragraph, the board of trustees shall annually file with the Commissioner of Corporations an authorization for disclosure to the commissioner of all financial records pertaining to the interindemnity arrangement. For the purpose of this clause, the authorization for disclosure shall also include the financial records of any association, partnership, or corporation that has management or control of the funds or the operation of the interindemnity arrangement.

(9) The trust agreement shall also provide for all the following:

(A) In the event a participating member who is in full compliance with the trust agreement dies, the initial contribution made by the decedent shall be returned to such member's estate or designated beneficiary; the indemnity coverage shall continue for the benefit of the decedent's estate in respect of occurrences during the time the decedent was a participating member; and neither the person receiving the repayment of the initial contribution nor the decedent's estate shall be responsible for any assessments levied following the death of the member.

(B) A participating member who is then in full compliance with the trust agreement and who has reached the age of 65 and who has retired completely from the practice of medicine may elect to retire

from the interindemnity arrangement, in which case such member shall not be responsible for assessments levied following the date notice of retirement is given to the trust. Following such retirement, the indemnity coverage shall continue for the benefit of such member in respect of occurrences prior to the time such member retired from the interindemnity arrangement. Such retired member's initial contribution shall be repaid 10 years from the date the notice of retirement is received by the trust, or such earlier date as specified in the trust agreement.

(C) During any period in which a participating member, who is then in full compliance with the trust agreement, has, in the judgment of the board of trustees, become unable to perform any and every duty of his or her regular professional occupation, the indemnity coverage shall continue for the benefit of such member and such member shall not be responsible for assessments levied during such period.

(D) In the event a participating member fails to pay any assessment when the same is due, the board of trustees may terminate such person's membership status if such failure to pay is not cured within 30 days from the date the assessment was due. Upon such termination the former participating member shall not be entitled to the return of all or any part of his or her initial contribution, and the indemnity coverage shall thereupon terminate as to all claims then pending against such person and in respect to all occurrences prior to the date of such termination of membership. However, in the event the interindemnity arrangement is then providing legal defense services to such person, the interindemnity arrangement shall continue to provide those services for a period of 10 days following such termination.

(E) In the event a participating member fails to comply with any provision of the trust agreement (other than a failure to pay assessments when due), the board of trustees may terminate such person's membership status if such failure to comply is not cured within 60 days from the date such person is notified of the failure; provided that before such membership status may be terminated such person shall be given the right to call for a hearing before the board of trustees (to be held before the expiration of such 60-day period), at which hearing such person shall be given the opportunity to demonstrate to the board of trustees that no failure to comply has occurred or, if it has occurred, that it has been cured. Upon such termination, the former participating member shall not be entitled to the return of all or any part of his or her initial contribution, and the indemnity coverage shall thereupon terminate as to all claims then pending against such person and in respect to all occurrences prior to the date of such termination of membership. However, in the event the interindemnity arrangement is then providing legal defense services to such person, the interindemnity arrangement shall continue to provide those services for a period of 10 days following such termination.

(F) A participating member who is then in full compliance with the trust agreement may elect voluntarily to terminate his or her membership in the interindemnity arrangement. Upon such voluntary termination, such person may further elect to cease being responsible for future assessments, or to continue to pay such assessments until such time as such person's initial contribution is repaid. In the event such person elects to cease being responsible for future assessments, the indemnity coverage shall thereupon terminate and such person shall either be responsible for his or her own exposure for acts committed while a participating member in the interindemnity arrangement, or he or she may request the interindemnity arrangement to purchase or provide, at the cost of such person, coverage for such exposure. The initial contribution of such person shall be repaid on the 10th anniversary of the date such contribution was made. In the event such person elects to continue to be responsible for assessments, the indemnity coverage shall continue in respect of occurrences prior to the date of such voluntary termination, and the initial contribution of such person shall be repaid at such time as the board of trustees is satisfied that (i) there are no claims pending against such person in respect of occurrences during the time such person was a participating member, and (ii) the statute of limitations has run on all claims which might be asserted against such person in respect of occurrences during such time. In no event shall such repayment be made earlier than the 10th anniversary of the date such contribution was made.

(G) The board of trustees shall have the right to terminate the membership of a participating member where the board of trustees determines that such termination is in the best interests of the interindemnity arrangement even though such person has complied with all of the provisions of the trust agreement. Such a termination may be effected only if at least two-thirds of the members of the board of trustees indicate in writing their decision so to terminate. If the board of trustees proposes so to terminate a member, such member shall have the right to call a special meeting of all participating members for the purpose of voting on whether or not such member shall be so terminated. Such member shall not be so terminated if at least two-thirds of the participating members present indicate that such member should not be so terminated. In the event a member is so terminated, such person may elect either: (i) to request the return of his or her initial contribution, in which case the same shall be repaid and the indemnity coverage shall thereupon terminate as to all claims then pending against such person and in respect to all occurrences prior to the date of such termination of membership. However, in the event the interindemnity arrangement is then providing legal defense services to such person, the interindemnity arrangement shall continue to provide those services for a period of 30 days to enable such person to assume his or her own defense; or (ii) to release all rights to the return of such initial contribution, in which case the indemnity

coverage shall continue for the benefit of such member in respect of occurrences during the time such person was a participating member and such person shall have no responsibility for assessments levied following such termination.

(10) Each member participating in such interindemnity arrangement shall have the right of access to, and the inspection of, the books and records of the interindemnity arrangement, which rights shall be similar to the corporate shareholders pursuant to Section 3003 of the Corporations Code, or, commencing January 1, 1977, Sections 1600 to 1605, inclusive, of the Corporations Code.

(11) There shall be a meeting of all members participating in the interindemnity arrangement, at least annually, after not less than 10 days' written notice has been given, at a location reasonably convenient to such participating members and on a date which is within a reasonable period of time following the distribution of the annual financial statements.

(12) The interindemnity arrangement, and the reserve trust fund incident thereto, shall be subject to termination at any time by the vote or written consent of not less than three-fourths of the participating members.

(b) The board of trustees shall cause to be recorded with the office of the county recorder of the county of the principal place of business of the interindemnity arrangement within 90 days following the end of each fiscal year, a written statement, executed by a majority of the board of trustees under penalty of perjury, reciting that each member participating in such interindemnity arrangement was mailed a copy of the annual financial statement and quarterly audit certificates by first-class mail, postage prepaid, required pursuant to paragraph (8) of subdivision (a).

(c) Each person solicited to become a participating member in such an interindemnity arrangement shall receive in writing, at least 48 hours prior to the execution by the prospective participating member of the trust agreement, and at least 48 hours prior to the payment by such prospective participating member of any consideration in connection with such interindemnity arrangements, the following information:

(1) A copy of the articles of incorporation and bylaws of the cooperative corporation and a copy of the form of trust agreement to be executed by such prospective participating member.

(2) A disclosure statement regarding the interindemnity arrangement. The disclosure statement shall contain on the first or cover page a legend in bold face type reading substantially as follows:

"THE INTERINDEMNITY ARRANGEMENT CONTEMPLATED HEREIN PROVIDES THAT PARTICIPATING MEMBERS HAVE UNLIMITED PERSONAL LIABILITY FOR ASSESSMENTS WHICH MAY BE LEVIED TO PAY FOR THE PROFESSIONAL NEGLIGENCE LIABILITIES COVERED BY THIS ARRANGEMENT. NO ASSURANCES CAN BE GIVEN REGARDING THE AMOUNT OR FREQUENCY OF

ASSESSMENTS WHICH MAY BE SO LEVIED, OR THAT ALL PARTICIPATING MEMBERS WILL MAKE TIMELY PAYMENT OF THEIR ASSESSMENTS TO COVER THE PROFESSIONAL NEGLIGENCE LIABILITY OF A PARTICIPATING MEMBER."

(3) The disclosure statement shall further contain all of the following information:

(A) The amount, nature and terms and conditions of the professional negligence coverage available under the interindemnity arrangement.

(B) The amount of the initial contribution required of each participating member and a statement of the minimum number of members and aggregate contributions required for the interindemnity arrangement to commence.

(C) The names, addresses and professional experience of each member of the board of trustees.

(D) The requirements for admission as a participating member.

(E) A statement of the services to be provided under the interindemnity arrangement to each participating member.

(F) A statement regarding the obligation of each member to pay assessments and the consequences for failure to do so.

(G) A statement of the rights and obligations of a participating member in the event such member dies, retires, becomes disabled or terminates participation for any reason, or the interindemnity arrangement terminates for any reason.

(H) A statement regarding the claims administration services to be provided, indicating whether these services will be delegated to others purusant to a contractual arrangement.

(I) A statement of the voting rights of the members and the circumstances under which participation of such a member may be terminated and under which the interindemnity arrangement may be terminated.

(J) If any statement of estimated or projected financial information for the interindemnity arrangement is used, a statement of such estimation or projection and a summary of the data and assumptions upon which it is based.

(4) A list with the names and addresses of all then current participating members of the interindemnity arrangement.

(d) No person shall receive, or be entitled to receive, any payment, bonus, salary, income, compensation or other benefit whatsoever, either from the reserve trust fund or the income therefrom or from any other funds of the interindemnity arrangement or the members thereof based on the number of participating members, or the amount of the reserve trust fund or other funds of the interindemnity arrangement.

(e) A peer review committee or committees shall be established by the trust agreement to review the qualifications of any physician and surgeon to participate or continue to participate in such interindemnity arrangement and to review the quality of medical services rendered by any participating member, as well as the

validity of medical malpractice claims made against participating members. Any physician and surgeon, prior to becoming a participating member of such interindemnity arrangement, shall be reviewed and approved by a majority of the members of such peer review committee. No peer review committee, or any of its members, shall be liable for any action taken by such committee in reviewing the qualifications of a physician and surgeon to participate or continue to participate, or the quality of medical services rendered, or the validity of a medical malpractice claim, unless it is alleged and proved that such action was taken with actual malice.

(f) The following are hereby defined as unfair methods of competition and deceptive acts or practices with respect to cooperative corporations or interindemnity arrangements provided for in this section.

(1) Making any false or misleading statement as to, or issuing, circulating, or causing to be made, issued or circulated, any estimate, illustration, circular, or statement misrepresenting the terms of any interindemnity arrangement or the benefits or advantages promised thereby, or making any misleading representation or any misrepresentation as to the financial condition of such interindemnity arrangement, or making any misrepresentation to any participating member for the purpose of inducing or tending to induce such member to lapse, forfeit, or surrender his or her rights to indemnification under such interindemnity arrangement. It shall be a false or misleading statement to state or represent that a cooperative corporation or interindemnity arrangement is or constitutes "insurance" or an "insurance company" or an "insurance policy."

(2) Making or disseminating or causing to be made or disseminated before the public in this state, in any newspaper or other publication, or any advertising device, or by public outcry or proclamation, or in any other manner or means whatsoever, any statement containing any assertion, representation, or statement with respect to such cooperative corporations or interindemnity arrangements, or with respect to any person in the conduct of such cooperative corporations or interindemnity arrangements, which is untrue, deceptive, or misleading, and which is known, or which by the exercise of reasonable care should be known, to be untrue, deceptive, or misleading. It shall be a false or misleading statement to state or represent that a cooperative corporation or interindemnity arrangement is or constitutes "insurance" or an "insurance company" or an "insurance policy."

(3) Entering into any agreement to commit, or by any concerted action committing, any act of boycott, coercion, or intimidation resulting in or tending to result in an unreasonable restraint of, or monopoly in, such cooperative corporations or interindemnity arrangements.

(4) Filing with any supervisory or other public official, or making, publishing, disseminating, circulating, or delivering to any person, or

placing before the public, or causing directly or indirectly, to be made, published, disseminated, circulated, or delivered to any person, or placed before the public any false statement of financial condition of such a cooperative corporation or interindemnity arrangement with intent to deceive.

(5) Making any false entry in any book, report, or statement of such a cooperative corporation or interindemnity arrangement with intent to deceive any agent or examiner lawfully appointed to examine into its condition or into any of its affairs, or any public official to whom such a cooperative corporation or interindemnity arrangement is required by law to report, or who has authority by law to examine into its condition or into any of its affairs, or, with like intent, willfully omitting to make a true entry of any material fact pertaining to such a cooperative corporation or interindemnity arrangement in any book, report, or statement of such a cooperative corporation or interindemnity arrangement.

(6) Making or disseminating, or causing to be made or disseminated, before the public in this state, in any newspaper or other publication, or any other advertising device, or by public outcry or proclamation, or in any other manner or means whatever, whether directly or by implication, any statement that such a cooperative corporation or interindemnity arrangement is a member of the California Insurance Guarantee Association, or insured against insolvency as defined in Section 119.5. This paragraph shall not be interpreted to prohibit any activity of the California Insurance Guarantee Association or of the commissioner authorized, directly or by implication, by Article 14.2 (commencing with Section 1063) of Chapter 1 of this part.

(7) Knowingly committing or performing with such frequency as to indicate a general business practice any of the following unfair claims settlement practices:

(A) Misrepresenting to claimants pertinent facts or provisions relating to any coverage at issue.

(B) Failing to acknowledge and act promptly upon communications with respect to claims arising under such interindemnity arrangements.

(C) Failing to adopt and implement reasonable standards for the prompt investigation and processing of claims arising under such interindemnity arrangements.

(D) Failing to affirm or deny coverage of claims within a reasonable time after proof of claim requirements have been completed and submitted by the participating member.

(E) Not attempting in good faith to effectuate prompt, fair, and equitable settlements of claims in which liability has become reasonably clear.

(F) Compelling participating members to institute litigation to recover amounts due under an interindemnity arrangement by offering substantially less than the amounts ultimately recovered in actions brought by such participating members when such

participating members have made claims under such interindemnity arrangements for amounts reasonably similar to the amounts ultimately recovered.

(G) Attempting to settle a claim by a participating member for less than the amount to which a reasonable person would have believed he or she was entitled by reference to written or printed advertising material accompanying or made part of an application for membership in such an interindemnity arrangement.

(H) Attempting to settle claims on the basis of an interindemnity arrangement which was altered without notice to the participating member.

(I) Failing, after payment of a claim, to inform participating members, upon request by them, of the coverage under which payment has been made.

(J) Making known to claimants a practice of such cooperative corporation or interindemnity arrangement of appealing from arbitration awards in favor of claimants for the purpose of compelling them to accept settlements or compromises less than the amount awarded in arbitration.

(K) Delaying the investigation or payment of claims by requiring a claimant, or his or her physician, to submit a preliminary claim report, and then requiring the subsequent submission of formal proof of loss forms, both of which submissions contain substantially the same information.

(L) Failing to settle claims promptly, where liability has become apparent, under one portion of an interindemnity arrangement in order to influence settlements under other portions of the interindemnity arrangement.

(M) Failing to provide promptly a reasonable explanation of the basis relied on in the interindemnity arrangement, in relation to the facts of applicable law, for the denial of a claim or for the offer of a compromise settlement.

(N) Directly advising a claimant not to obtain the services of an attorney.

(O) Misleading a claimant as to the applicable statute of limitations.

SEC. 137. Section 1750 of the Insurance Code is amended to read:

1750. The commissioner shall require in advance as a fee for filing application for the hereinafter designated licenses, renewals thereof, or changes in outstanding licenses, an amount calculated as set forth herein. The fee is determined by multiplying the number of natural persons to be licensed or to be named on or added to the license by the amounts specified as to each such license multiplied by the number of license years in the period of the license applied for or the remaining period of an existing license counting any initial fractional license year of such period as one year for such purpose, as follows:

(a) Insurance agent, twenty dollars ($20).

(b) Insurance broker, thirty dollars ($30).

(c) Insurance solicitor, fifteen dollars ($15).

(d) Life agent, resident, twenty dollars ($20).

(e) Life agent, nonresident, twenty-four dollars ($24).

(f) Variable contract agent, twenty-five dollars ($25).

SEC. 138. Section 1751 of the Insurance Code is amended to read:

1751. The commissioner shall require in advance as a fee for filing the following documents:

(a) Application for registration of change in membership of a copartnership licensed as:

(1) Insurance agent, twenty dollars ($20).

(2) Insurance broker, thirty dollars ($30).

(3) Life agent, resident, twenty dollars ($20).

(4) Life agent, nonresident, twenty-four dollars ($24).

(b) Application for endorsement removing from any life agent's, insurance agent's or insurance broker's license issued to an organization the name of any natural person named thereon, three dollars ($3).

(c) First amendment to an application, three dollars ($3); a second and each subsequent amendment to an application, six dollars ($6).

(d) Original application to be given the qualifying examination for a license of a fire and casualty licensee, twelve dollars and fifty cents ($12.50) for each person to be examined.

(e) Original application to be given the qualifying examination for a license of a life licensee, or a license as a variable contract agent, twelve dollars and fifty cents ($12.50) for each person to be examined.

(f) Application for reexamination for any of the licenses mentioned in this section seventeen dollars and fifty cents ($17.50) for each person to be reexamined.

(g) Application which includes a request for a certificate of convenience pursuant to Article 8 of this chapter, twelve dollars and fifty cents ($12.50) in addition to, and not in lieu of, fees otherwise required.

(h) Application or request for approval of true or fictitious name pursuant to Section 1724.5 of this chapter fifteen dollars ($15), except that there shall be no fee when such name is contained in an original application.

(i) "A ratification of appointments of agents" whereby the surviving insurer in a merger or consolidation assumes responsibility for all agents then lawfully appointed for one of the constituent insurers and makes each its agent, sixty-two dollars and fifty cents ($62.50).

(j) An application or request for approval of:

(1) A training course pursuant to Section 1689 or 1690, except when filed by a degree-conferring college or university, a public educational institution, or by a private nonprofit educational institution, sixty-two dollars and fifty cents ($62.50).

(2) An arrangement whereby an insurer may qualify trainees pursuant to Section 1689 or 1690 by means of an approved course given on the insurer's behalf by a school or organization other than

itself, thirty-two dollars and fifty cents ($32.50).

(k) A bond, pursuant to Article 5 (commencing with Section 1662) of this chapter or Section 1760.5 or 1765, except when such bond constitutes part of an original application filing, seven dollars and fifty cents ($7.50).

(*l*) An application or request for a copy of, or a duplicate license, issued pursuant to Chapters 5 (commencing with Section 1621), 6 (commencing with Section 1760), 7 (commencing with Section 1800), or 8 (commencing with Section 1831) of this division or Sections 12280 and 12280.2, five dollars ($5).

(m) An application or request for clearance and cancellation notice of a current licensee of record, five dollars ($5).

SEC. 139. Section 4090 of the Insurance Code is amended to read:

4090. By following the procedure specified in this article, any domestic mutual insurer described in this chapter may merge, consolidate, or otherwise unite with or become a part of, or may reinsure all of its policies with and, upon assumption of all of its liabilities, may transfer all of its assets to, another admitted mutual insurer, domestic or foreign. Chapter 13 (commencing with Section 1300) of Division 1 of Title 1 of the Corporations Code shall not apply to any such merger.

SEC. 140. Section 10123 of the Insurance Code is amended to read:

10123. (a) No self-insured employee welfare benefit plan, issued or renewed on or after the effective date of this section, which provides coverage for an employee and one or more covered persons dependent upon such employee and provides for an extension of coverage for any period following a termination of employment of the employee, shall fail to provide that such extension of coverage shall apply to dependents upon the same terms and conditions precedent as applied to the covered employee, for the same period of time, subject to payment of premiums, if any, as required by the terms of the policy and subject to any limitations or conditions set forth in any applicable collective bargaining agreement. All such plans entered into or renewed on or after the effective date of this section shall be construed to be in compliance with this section, and any provision in any such plan which is in conflict with this section shall be of no force or effect.

(b) As used in subdivision (a), "self-insured employee welfare benefit plan" has the same meaning as that specified in subdivision (d) of Section 10121.

SEC. 141. Section 10123.1 of the Insurance Code, as added by Chapter 1225 of the Statutes of 1975, is amended and renumbered to read:

10123.3. Every self-insured employee welfare benefit plan, as defined in Section 10121, issued, amended, or renewed after January 1, 1977, shall comply with the requirements of Article 1.5 (commencing with Section 10128) of this chapter.

SEC. 142. Section 10124 of the Insurance Code, as added by Chapter 522 of the Statutes of 1972, is amended and renumbered to

read:

10124.7. Each self-insured employee benefit plan issued or renewed on or after the effective date of this section shall provide, where feasible, that benefits for confinement in an extended care facility, as defined in subsection (j) of Section 1395x of Title 42 of the United States Code, may be provided under such terms and conditions as may be agreed upon between the employer and the employee or employee organization.

Nothing in this section shall preclude a self-insured employee benefit plan from providing benefits for confinement in institutions other than extended care facilities as defined in this section.

SEC. 143. Section 10127.1 of the Insurance Code (formerly Section 10127 of the Insurance Code amended and renumbered by Chapter 1079 of the Statutes of 1976) is amended and renumbered to read:

10127.7. Every policy of individual life insurance with a face value of less than ten thousand dollars ($10,000) which is delivered or issued for delivery in this state on and after July 1, 1974, shall have printed thereon or attached thereto a notice stating in substance that, at any time within 10 days after receipt of the policy by the owner, the policy may be returned by the owner for cancellation by delivering it or mailing it to the insurer or to the agent through whom it was purchased. Such delivery or mailing of the policy by the owner shall void the policy from the beginning, and the parties shall be in the same position as if no policy or contract had been issued. All premium paid and any policy fee paid for the policy shall be refunded to the owner.

This section shall not apply to individual life insurance policies issued in connection with a credit transaction or issued under a contractual policy change or conversion privilege provision contained in a policy.

SEC. 144. Section 11580.2 of the Insurance Code is amended to read:

11580.2. (a) (1) No policy of bodily injury liability insurance covering liability arising out of the ownership, maintenance, or use of any motor vehicle, except for policies which provide insurance in the Republic of Mexico issued or delivered in this state by nonadmitted Mexican insurers, shall be issued or delivered in this state to the owner or operator of a motor vehicle, or shall be issued or delivered by any insurer licensed in this state upon any motor vehicle then principally used or principally garaged in this state, unless the policy contains, or has added to it by endorsement, a provision with coverage limits at least equal to the financial responsibility requirements specified in Section 16056 of the Vehicle Code insuring the insured, his heirs or his legal representative for all sums within such limits which he or they, as the case may be, shall be legally entitled to recover as damages for bodily injury or wrongful death from the owner or operator of an uninsured motor vehicle. The insurer and any named insured, prior to or subsequent to the issuance or renewal of a policy, may, by agreement in writing,

in the form specified in paragraph (2), delete the provision covering damage caused by an uninsured motor vehicle (1) completely, or (2) with respect to a natural person or persons designated by name when operating a motor vehicle. Either of such deletions by any named insured shall be binding upon every insured to whom such policy or endorsement provisions apply while such policy is in force, and shall continue to be so binding with respect to any continuation, renewal, or replacement of such policy by the named insured, or with respect to reinstatement of such policy within 30 days of any lapse thereof. A policy shall be excluded from the application of this section if the only coverage with respect to the use of any motor vehicle is limited to the contingent liability arising out of the use of nonowned motor vehicles.

(2) The agreement specified in paragraph (1) shall be in the following form:

"The California Insurance Code requires an insurer to provide uninsured motorists coverage in each bodily injury liability insurance policy it issues covering liability arising out of the ownership, maintenance, or use of a motor vehicle. Such section also permits the insurer and the applicant to delete such coverage completely or with respect to one or more natural persons designated by name when operating a motor vehicle. Uninsured motorists coverage insures the insured, his heirs, or legal representatives for all sums within the financial responsibility limits which such person or persons are legally entitled to recover as damages for bodily injury, including any resulting sickness, disease, or death, to him from the owner or operator of an uninsured motor vehicle not owned or operated by the insured."

Such agreement may contain additional statements not in derogation of or conflict with the foregoing. The execution of such agreement shall relieve the insurer of liability under this section while such agreement remains in effect.

(b) As used in (a) above, "bodily injury" includes sickness or disease, including death, resulting therefrom; the term "named insured" means only the individual or organization named in the declarations of the policy of motor vehicle bodily injury liability insurance referred to in (a) above; as used in (a) above the term "insured" means the named insured and the spouse of the named insured and relatives of either while residents of the same household while occupants of a motor vehicle or otherwise, heirs and any other person while in or upon or entering into or alighting from an insured motor vehicle and any person with respect to damages he is entitled to recover for care or loss of services because of bodily injury to which the policy provisions or endorsement apply; the term "insured motor vehicle" means the motor vehicle described in the underlying insurance policy of which the uninsured motorist endorsement or coverage is a part, a temporary substitute or a newly acquired automobile for which liability coverage is provided in the policy if the motor vehicle is used by the named insured or with his

permission or consent, express or implied, and any other automobile not owned by the named insured or any resident of the same household while being operated by the named insured or his spouse if a resident of the same household, but the term "insured motor vehicle" shall not include any automobile while used as a public or livery conveyance. The term "uninsured motor vehicle" means a motor vehicle with respect to the ownership, maintenance or use of which there is no bodily injury liability insurance or bond applicable at the time of the accident, or there is such applicable insurance or bond but the company writing the same denies coverage thereunder or refuses to admit coverage thereunder except conditionally or with reservation, or a motor vehicle used without the permission of the owner thereof if there is no bodily injury liability insurance or bond applicable at the time of the accident with respect to the owner or operator thereof, or the owner or operator thereof be unknown, provided that, with respect to an "uninsured motor vehicle" whose owner or operator is unknown:

(1) The bodily injury has arisen out of physical contact of such automobile with the insured or with an automobile which the insured is occupying.

(2) The insured or someone on his behalf shall have reported the accident within 24 hours to the police department of the city where the accident occurred or, if the accident occurred in unincorporated territory then either the sheriff of the county where the accident occurred or the local headquarters of the California Highway Patrol, and have filed with the insurer within 30 days thereafter a statement under oath that the insured or his legal representative has or the insured's heirs have a cause of action arising out of such accident for damages against a person or persons whose indentity is unascertainable and set forth facts in support thereof. The term "uninsured motor vehicle" shall not include an automobile owned by the named insured or any resident of the same household or self-insured within the meaning of the Safety Responsibility Law of the state in which the motor vehicle is registered or which is owned by the United States of America, Canada, a state or political subdivision of any such government or an agency of any of the foregoing, or a land motor vehicle or trailer operated on rails or crawler treads or while located for use as a residence or premises and not as a vehicle, or a farm-type tractor or equipment designed for use principally off public roads, except while actually upon public roads.

The term "uninsured motor vehicle" also means an insured motor vehicle where the liability insurer thereof is unable to make payment with respect to the legal liability of its insured within the limits specified therein because of insolvency. An insurer's solvency protection shall be applicable only to accidents occurring during a policy period in which its insured's motor vehicle coverage is in effect where the liability insurer of the tortfeasor becomes insolvent within one year of such accident. In the event of payment to any person under the coverage required by this section and subject to the

terms and conditions of such coverage, the insurer making such payment, shall to the extent thereof, be entitled to any proceeds which may be recoverable from the assets of the insolvent insurer through any settlement or judgment of such person against the insolvent insurer.

(c) The insurance coverage provided for in this section does not apply:

(1) To property damage sustained by the insured.

(2) To bodily injury of the insured while in or upon or while entering into or alighting from an automobile other than the described automobile if the owner thereof has insurance similar to that provided in this section.

(3) To bodily injury of the insured with respect to which the insured or his representative shall, without the written consent of the insurer, make any settlement with or prosecute to judgment any action against any person who may be legally liable therefor.

(4) In any instance where it would inure directly or indirectly to the benefit of any workers' compensation carrier or to any person qualified as a self-insurer under any workers' compensation law, or directly to the benefit of the United States, or any state or any political subdivision thereof.

(5) To establish proof of financial responsibility as provided in subdivisions (a), (b), and (c) of Section 16054 of the Vehicle Code.

(6) To bodily injury of the insured while occupying a motor vehicle owned by an insured, unless the occupied vehicle is an insured motor vehicle.

(7) To bodily injury of the insured when struck by a vehicle owned by an insured.

(d) Subject to paragraph (c) (2), the policy or endorsement may provide that if the insured has insurance available to him under more than one uninsured motorist coverage provision, any damages shall not be deemed to exceed the higher of the applicable limits of the respective coverages, and such damages shall be prorated between the applicable coverages as the limits of each coverage bears to the total of such limits.

(e) The policy or endorsement added thereto may provide that if the insured has valid and collectible automobile medical payment insurance available to him, the damages which he shall be entitled to recover from the owner or operator of an uninsured motor vehicle shall be reduced for purposes of uninsured motorist coverage by the amounts paid or due to be paid under such automobile medical payment insurance. This subdivision shall become operative on January 1, 1971.

(f) The policy or an endorsement added thereto shall provide that the determination as to whether the insured shall be legally entitled to recover damages, and if so entitled, the amount thereof, shall be made by agreement between the insured and the insurer or, in the event of disagreement, by arbitration. The arbitration shall be conducted by a single neutral arbitrator. An award or a judgment

confirming an award shall not be conclusive on any party in any action or proceeding between (i) the insured, his insurer, his legal representative, or his heirs and (ii) the uninsured motorist to recover damages arising out of the accident upon which the award is based. If the insured has or may have rights to benefits, other than nonoccupational disability benefits, under any workers' compensation law, the arbitrator shall not proceed with the arbitration until the insured's physical condition is stationary and ratable. In those cases in which the insured claims a permanent disability, such claims shall, unless good cause be shown, be adjudicated by award or settled by compromise and release before the arbitration may proceed. Any demand or petition for arbitration shall contain a declaration, under penalty of perjury, stating whether (i) the insured has a workers' compensation claim; (ii) such claim has proceeded to findings and award or settlement on all issues reasonably contemplated to be determined in that claim; and (iii) if not, what reasons amounting to good cause are grounds for the arbitration to proceed immediately. The provisions of Article 3 (commencing with Section 2016) of Chapter 3 of Title 3 of Part 4 of the Code of Civil Procedure shall be applicable to such determinations, and all rights, remedies, obligations, liabilities and procedures set forth in such Article 3 shall be available to both the insured and the insurer at any time after the accident, both before and after the commencement of arbitration, if any, with the following limitations:

(1) Whenever in such Article 3, reference is made to the court in which the action is pending, or provision is made for application to the court or obtaining leave of court or approval by the court, the court which shall have jurisdiction for the purposes of this section shall be the superior court of the State of California, in and for any county which is a proper county for the filing of a suit for bodily injury arising out of the accident, against the uninsured motorist, or any county specified in the policy or an endorsement added thereto as a proper county for arbitration or action thereon.

(2) Any such proper court to which application is first made by either the insured or the insurer under the provisions of such Article 3 for any discovery or other relief or remedy, shall thereafter be the only court to which either of the parties shall make any applications under such Article 3 with respect to the same accident, subject, however, to the right of such court to grant a change of venue after a hearing upon notice, upon any of the grounds upon which change of venue might be granted in an action filed in the superior court.

(3) A deposition pursuant to the provisions of Section 2016 of the Code of Civil Procedure may be taken without leave of court, except that leave of court, granted with or without notice and for good cause shown, must be obtained if the notice of the taking of the deposition is served by either party within 20 days after the accident.

(4) The provisions of subparagraph (a) (4) of Section 2019 of the Code of Civil Procedure shall not be applicable to discovery under

this section.

(5) For the purposes of discovery under this section, the insured and the insurer shall each be deemed to be "a party to the record of any civil action or proceedings," where that phrase is used in subparagraph (b) (2) of Section 2019 of the Code of Civil Procedure.

(6) Interrogatories under the provisions of Section 2030 of the Code of Civil Procedure and requests for admission under Section 2033 of the Code of Civil Procedure may be served by either the insured or the insurer upon the other at any time more than 20 days after the accident without leave of court.

(7) Nothing in this section shall be construed to limit the rights of any party to discovery in any action pending or which may hereafter be pending in any court.

(g) The insurer paying a claim under an uninsured motorist endorsement or coverage shall be entitled to be subrogated to the rights of the insured to whom such claim was paid against any person causing such injury or death to the extent that payment was made. Such action may be brought within three years from the date that payment was made hereunder.

(h) An insured entitled to recovery under the uninsured motorist endorsement or coverage shall be reimbursed within the conditions stated herein without being required to sign any release or waiver of rights to which he may be entitled under any other insurance coverage applicable; nor shall payment under this section to such insured be delayed or made contingent upon the decisions as to liability or distribution of loss costs under other bodily injury liability insurance or any bond applicable to the accident. Any loss payable under the terms of the uninsured motorist endorsement or coverage to or for any person may be reduced:

(1) By the amount paid and the present value of all amounts payable to him under any workers' compensation law, exclusive of nonoccupational disability benefits.

(2) By the amount the insured is entitled to recover from any other person insured under the underlying liability insurance policy of which the uninsured motorist endorsement or coverage is a part.

(i) No cause of action shall accrue to the insured under any policy or endorsement provision issued pursuant to this section unless within one year from the date of the accident:

(1) Suit for bodily injury has been filed against the uninsured motorist, in a court of competent jurisdiction, or

(2) Agreement as to the amount due under the policy has been concluded, or

(3) The insured has formally instituted arbitration proceedings.

(j) Notwithstanding the provisions of subdivisions (b) and (i), in the event the accident occurs in any other state or foreign jurisdiction to which coverage is extended under the policy and the insurer of the tortfeasor becomes insolvent, any action authorized pursuant to the provisions of this section may be maintained within three months of the insolvency of the tortfeasor's insurer, but in no

event later than the pertinent period of limitation of the jurisdiction in which the accident occurred.

(k) Notwithstanding the provisions of subdivision (i), any insurer whose insured has made a claim under his or her uninsured motorist coverage, and such claim is pending, shall, at least 30 days before the expiration of the applicable statute of limitation, applicable to such injury or death. Failure of the insurer to provide such written notice shall operate to toll any applicable statute of limitation or other time limitation for a period of 30 days from the date such written notice is actually given.

(*l*) As used in subdivision (b), "public or livery conveyance," or terms of similar import, shall not include the operation or use of a motor vehicle by the named insured in the performance of volunteer services for a nonprofit charitable organization or governmental agency by providing transportation to senior citizens or physically or mentally handicapped persons. This subdivision shall not apply in any case in which the named insured receives any remuneration of any kind other than reimbursement for actual mileage driven in the performance of such services at a rate not to exceed fifteen cents ($0.15) per mile actually driven. As used in this section, "senior citizen" means a person 60 years of age or older. This subdivision shall apply only to policies of insurance issued, amended, or renewed on or after January 1, 1976.

SEC. 145. Section 11759 of the Insurance Code is amended to read:

11759. The Legislature hereby finds and declares as follows: The Legislature pursuant to its plenary power over workers' compensation granted by Section 4 of Article XIV of the California Consititution has authorized classification of risks and premium rates and systems of merit rating for workers' compensation insurance. The selective and discretionary inspection of locations, plants and operations of employers for classification and rating purposes, the gathering and compiling of experience statistics and other data by rating organizations licensed by the Insurance Commissioner, and the application of standards predicated upon the reliability of such classifications and merit rating data are essential to the proper functioning of the classifications of risks and premium rates and systems of merit rating which are regulated by the Insurance Commissioner as authorized by the Legislature.

In order to implement and facilitate the proper and adequate administration of such classifications of risks and rates and systems of rating by such licensed rating organizations and the Insurance Commissioner, it is important and in the public interest that licensed rating organizations and their officers and employees shall not be liable for injury or death or other damage caused or alleged to have been caused by their failure to inspect, or negligent or incomplete inspection of, an employer's location, plant or operation for classification or rating purposes.

No licensed rating organization or member thereof in its character as a member, or officer or employee of such licensed rating

organization when acting within the scope of his employment, shall be liable for injury or death or other damage proximately caused by a failure to inspect, or the manner or extent of inspection of, an employer's locations, plants or operations for classification or rating purposes, or by such person's comment, or failure to comment, on the subject matter or object of such inspection.

This section shall not be construed as implying the existence of liability in circumstances not defined in this section; nor as implying a legislative recognition that, except for the enactment of this section, a liability has existed or would exist in circumstances stated in this section.

SEC. 146. Section 1136.2 of the Labor Code is amended to read:

1136.2. If any part of the provisions of this chapter, or the application thereof, to any person or circumstance is held invalid in the final judgment of a court of competent jurisdiction, the remainder of this chapter, including the application of such part or provision to other persons or circumstances, shall not be affected thereby, and this chapter shall otherwise continue in full force and effect and shall otherwise be fully operative. To this end, the provisions of this chapter, and each of them, are hereby declared to be severable.

SEC. 147. Section 3729 is added to the Labor Code, to read:

3729. The Director of Industrial Relations shall report to the Governor and the Legislature, not later than January 1 of each year, the amount necessary to maintain the solvency of the Uninsured Employers Fund.

SEC. 148. Section 6144 of the Labor Code is amended to read:

6144. The appeals board may try and determine controversies under this division referred to it by the parties under the provisions of Title 9 (commencing with Section 1280) of Part 3 of the Code of Civil Procedure, when such controversies are submitted to it by the signed agreement of the parties, or by the application of one party and the submission of the other to its jurisdiction, with or without an express request for arbitration.

SEC.149. Section 880 of the Penal Code is amended to read:

880. Infants who are material witnesses against the defendant may be required to procure sureties for their appearance, as provided in the last section.

SEC. 150. Section 1269b of the Penal Code is amended to read:

1269b. The officer in charge of a jail wherein an arrested person is held in custody, an officer of a sheriff's department or police department of a city who is in charge of a jail or employed at a fixed police or sheriff's facility and is acting under an agreement with the agency which keeps the jail wherein an arrested person is held in custody, an employee of a sheriff's department or police department of a city who is assigned by such department to collect bail, the clerk of the justice or municipal court of the judicial custody, the clerk of the justice or municipal court of the judicial district in which the offense was alleged to have been committed, and the clerk of the

superior court in which the case against the defendant is pending shall have authority to approve and accept bail in such amount as fixed by the warrant of arrest or schedule of bail or order admitting to bail in cash or surety bond executed by a certified, admitted surety insurer as provided in the Insurance Code, to issue and sign an order for the release of the arrested person, and to set a time and place for the appearance of the arrested person before the appropriate court and give notice thereof, as follows:

(a) For appearance before the court of an arrested person who has been arrested for having committed a felony, misdemeanor or infraction and is being held in custody prior to the filing of a formal complaint, indictment or information, and for appearance before the court of a defendant charged with a felony, misdemeanor, or infraction by a formal complaint, indictment or information filed in the court. If a defendant has appeared before a judge of the court on the charge contained in the complaint, indictment, or information the bail shall be in the amount fixed by such judge at the time of such appearance; if no such appearance has been made the bail shall be in the amount fixed in the warrant of arrest or, if no warrant of arrest has been issued, the amount of bail shall be pursuant to a schedule of bail in such case previously fixed and approved as provided in subdivision (b).

(b) It is the duty of the superior, municipal and justice court judges in each county to prepare and adopt, by a majority vote, at a meeting called by the presiding judge of the superior court of the county, a uniform countywide schedule of bail for all bailable felony offenses. It is the duty of the municipal and justice court judges in each county to prepare and adopt, by a majority vote, at a meeting called by the presiding judge of the municipal court at each county seat, a uniform, countywide schedule of bail for all misdemeanor and infraction offenses.

Each schedule shall contain a list of such offenses and the amounts of bail applicable thereto as the judges determine to be appropriate. If the schedules do not list all offenses specifically, they shall contain a general clause for designated amounts of bail as the judges of the county determine to be appropriate for all such offenses not specifically listed in the schedules. The schedules of bail may be revised from time to time by the judges of the county, and one or more meetings of judges for this purpose may be called by the presiding judges of the superior and municipal courts located at each county seat. A copy of the bail schedules shall be sent to the officer in charge of the county jail and to the officer in charge of each city jail within the county and to each superior, municipal and justice court judge and commissioner.

(c) Upon posting such bail the defendant or arrested person shall be discharged from custody as to the offense on which the bail is posted.

All money and surety bonds so deposited with such officer shall be transmitted immediately to the judge or clerk of the court by which

the order was made or warrant issued or bail schedule fixed. If, in the case of felonies, an indictment is filed, such judge or clerk of the court shall transmit all such money and surety bonds to the county clerk.

(d) If a defendant or arrested person so released fails to appear at the time and in the court so ordered upon his release from custody, the provisions of Sections 1305 and 1306 shall apply.

(e) For the appearance before the proper county of a person who has been arrested for an offense on a warrant issued in a county of this state other than the county where such person is held in custody.

SEC. 151. Section 1240 of the Probate Code is amended to read:

1240. An appeal may be taken from an order granting or revoking letters testamentary or of administration; removing or refusing to remove a trustee of a testamentary trust; admitting a will to probate or revoking the probate thereof; setting aside an estate claimed not to exceed twenty thousand dollars ($20,000) in value; setting apart property as a homestead or claimed to be exempt from execution confirming a report of an appraiser or appraisers in setting apart a homestead; granting or modifying a family allowance; directing or authorizing the sale or conveyance or confirming the sale of property; adjudicating the merits of any claim under Sections 851.5, 852 or 853; allocating debts under Section 980; settling an account of an executor or administrator or trustee, or instructing or appointing a trustee; instructing or directing an executor or administrator; directing or allowing the payment of a debt, claim, legacy or attorney's fee; fixing, directing or allowing payment of a trustee's compensation; determining heirship or the persons to whom distribution should be made or trust property should pass; distributing property; determining that property is community property passing or belonging to the surviving spouse pursuant to Section 655; refusing to make any order heretofore mentioned in this section; fixing an inheritance tax or determining that none is due; or authorizing a personal representative to invest or reinvest any surplus moneys pursuant to Section 584.5.

SEC. 152. Section 3278 of the Public Resources Code is repealed.

SEC. 153. Section 3358 of the Public Resources Code is amended to read:

3358. Witnesses shall be entitled to receive the fees and mileage fixed by law in civil causes, payable from the General Fund.

SEC. 154. Section 3412 of the Public Resources Code is amended to read:

3412. On or before the 15th of June of each year, the department shall determine the rate or rates which will produce the sums necessary to be raised as provided in Section 3410. Within the same time the department shall extend into the proper column of the record of assessments the amount of charges due from each person.

SEC. 155. Section 3419 of the Public Resources Code is amended to read:

3419. On or before the first of July the department shall deliver to the State Controller the record of assessments and charges, certified

to by the director, which certificate shall be substantially as follows: "I, _____, Director of Conservation, do hereby certify that between the first of March and the first of July, 19____, I made diligent inquiry and examination to ascertain all property and persons, firms, corporations and associations subject to assessment as required by the provisions of this chapter, providing for the assessment and collection of charges; that I have faithfully complied with all the duties imposed upon me by law; that I have not imposed any unjust or double assessment through malice or ill will or otherwise; nor allowed any person, firm, corporation, or association, or property to escape a just assessment or charge through favor or regard or otherwise." Failure to subscribe the certificate to the record of assessments and charges, or any certifcate, shall not affect the validity of any assessment or charge.

SEC. 156. Section 3426 of the Public Resources Code is amended to read:

3426. The Controller shall, on or before the thirtieth day of May next following the delinquency of any charge, bring an action in the name of the people of the State, in the county in which the property assessed is situated, to collect any delinquent charges or assessments, together with any penalties or costs, which have not been paid and which are shown as delinquent upon the record of assessments and charges.

SEC. 157. Section 3428 of the Public Resources Code is amended to read:

3428. In such actions the record of assessments and charges, or a copy of so much thereof as is applicable, duly certified by the Controller, showing unpaid charges against any person assessed by the department, is prima facie evidence of the assessment, the delinquency, the amount of charges, penalties, and costs due and unpaid, that the person is indebted to the people of the State of California in the amount of charges and penalties therein appearing unpaid, and that all forms of law in relation to the assessment of the charges have been complied with.

The provisions of the Code of Civil Procedure relating to service of summons, pleadings, proofs, trials, and appeals are applicable to the proceedings.

SEC. 158. Section 3744 of the Public Resources Code is amended to read:

3744. Within 30 days after service of an order, pursuant to Section 3743, or if there has been an appeal from the order to the board, within 30 days after service of the decision of the board, or if a review has been taken of the order of the board, within 10 days after affirmance of the order, the owner shall commence in good faith the work ordered and continue it until completion. If the work has not been commenced and continued to completion, the supervisor shall appoint necessary agents who shall enter the premises and perform the work. An accurate account of the expenditures shall be kept, and the amounts shall be paid from the General Fund upon the warrant

of the State Controller. Any amount so expended shall constitute a lien against the property upon which the work is done and such lien shall have the force, effect, and priority of a judgment lien.

SEC. 159. Section 3770 of the Public Resources Code is amended to read:

3770. Witnesses shall be entitled to receive the fees and mileage fixed by law in civil causes, payable from the General Fund.

SEC. 160. Section 3775 of the Public Resources Code is amended to read:

3775. In such actions the record of charges, or a copy of so much thereof as is applicable, duly certified by the Controller, showing unpaid charges against any person, is prima facie evidence of the charges, the delinquency, the amount of charges, penalties, and costs due and unpaid, that the person is indebted to the people of the State of California in the amount of charges and penalties therein appearing unpaid, and that all forms of law in relation to the charges have been complied with.

The provisions of the Code of Civil Procedure relating to service of summons, pleadings, proofs, trials, and appeals are applicable to the proceedings.

SEC. 161. Section 4551.5 of the Public Resources Code is amended to read:

4551.5. Rules and regulations shall apply to the conduct of timber operations and shall include, but shall not be limited to, measures for fire prevention and control, for soil erosion control, for water quality and watershed control, for flood control, for stocking, for protection against timber operations which unnecessarily destroy young timber growth or timber productivity of the soil, for prevention and control of damage by forest insects, pests, and disease, for the protection of natural and scenic qualities in special treatment areas identified pursuant to subdivision (b) of Section 30417, and for the preparation of timber harvesting plans. In developing these rules, the board shall solicit and consider recommendations from the department, recommendations from the Department of Fish and Game relating to the protection of fish and wildlife, recommendations from the State Water Resources Control Board and the California regional water quality control boards relating to water quality, recommendations from the State Air Resources Board and local air pollution control districts relating to air pollution control, and recommendations of the California Coastal Commission relating to the protection of natural and scenic coastal zone resources in special treatment areas.

SEC. 162. Section 6891 of the Public Resources Code is amended to read:

6891. The commission may issue a prospecting permit, under such rules and regulations as it may prescribe, for lands which are not known mineral lands to any qualified applicant, upon the payment to the commission of one dollar ($1) per acre for each acre in area embraced within the boundaries of the lands described in the

permit. No permit shall be issued for any lands which have been classified by the commission prior to such application as containing commercially valuable mineral deposits. Upon receipt of an application for a permit, the commission shall determine whether the lands described therein are known mineral lands. If it determines that the lands are known mineral lands, it shall thereupon so classify them and shall reject the application for a prospecting permit.

Subject to such terms and conditions as the commission may determine to be in the best interest of the state, a prospecting permit shall give to the permittee the exclusive right for a period not exceeding two years to prospect for minerals other than oil and gas or other hydrocarbon substances upon lands wherein such mineral deposits belong to the state.

The commission may, in its discretion, extend the term of any permit for a period not exceeding one year, but the term of any such permit, including extensions, shall be limited to a total of three years.

SEC. 163. Section 25507 of the Public Resources Code is amended to read:

25507. If any alternative site and related facility proposed in the notice is proposed to be located, in whole or in part, within the coastal zone, the commission shall transmit a copy of the notice to the California Coastal Commission. The California Coastal Commission shall analyze the notice and prepare the report and findings prescribed by subdivision (d) of Section 30413 prior to completion of the preliminary report required by Section 25510.

SEC. 164. The heading of Chapter 5 (commencing with Section 2781) of Part 2 of Division 1 of the Public Utilities Code, as added by Chapter 1202 of the Statutes of 1975, is amended and renumbered to read:

CHAPTER 6. HOME INSULATION ASSISTANCE AND FINANCING

SEC. 165. Section 2781 of the Public Utilities Code, as added by Chapter 451 of the Statutes of 1975, is amended and renumbered to read:

2776. As used in this chapter, the term "electrical cooperative" means any private corporation or association organized for the purposes of transmitting or distributing electricity exclusively to its stockholders or members at cost.

SEC. 166. Section 2782 of the Public Utilities Code, as added by Chapter 451 of the Statutes of 1975, is amended and renumbered to read:

2777. The commission shall have no authority to establish rates or regulate the borrowing of money, the issuance of evidences of indebtedness, or the sale, lease, assignment, mortgage, or other disposal or encumbrance of the property of any electrical cooperative.

SEC. 167. Section 2783 of the Public Utilities Code, as added by

Chapter 451 of the Statutes of 1975, is amended and renumbered to read:

2778. Except as otherwise specified in this chapter, every electrical cooperative is subject to the provisions of Part 1 (commencing with Section 201) of this division.

SEC. 168. The heading of Chapter 4.5 (commencing with Section 2801) of Part 2 of Division 1 of the Public Utilities Code, as added by Chapter 915 of the Statutes of 1976, is amended and renumbered to read:

CHAPTER 7. PRIVATE ENERGY PRODUCERS

SEC. 169. Section 100252 of the Public Utilities Code is amended to read:

100252. The district may contract with the State Board of Equalization for its service in the preparations necessary to administer a transaction and use tax ordinance. The costs to be covered by the contract are to be for services of the types described in Section 7272 of the Revenue and Taxation Code for preparatory work up to the date of the adoption of the ordinance. Any disputes as to the amount of the costs shall be resolved in the same manner as provided in that section.

SEC. 170. Section 103352 of the Public Utilities Code is amended to read:

103352. The district may contract with the State Board of Equalization for its services in the preparation necessary to administer a transaction and use tax ordinance. The costs to be covered by the contract are to be for services of the types described in Section 7272 of the Revenue and Taxation Code for preparatory work up to the date of the adoption of the ordinance. Any disputes as to the amount of the costs shall be resolved in the same manner as provided in that section.

SEC. 171. Section 130053.5 of the Public Utilities Code is amended to read:

130053.5. (a) The appointing authority specified in subdivision (a), (b), or (c) of Section 130053 may appoint an alternate member to the Riverside County Transportation Commission to represent, on a temporary basis, a regular member it has appointed, but only in those cases where the regular member cannot attend the meeting.

(b) An alternate member shall be:

(1) In the case of the Riverside County Board of Supervisors, another supervisor or mayor or city councilman serving within Riverside County.

(2) In the case of the Riverside County City Selection Committee, any mayor or city councilman serving within the county, excluding the City of Riverside.

(3) In the case of the City of Riverside, the mayor, if not a member, or another member of the City Council of the City of Riverside.

(c) No alternate member shall serve as such for more than one of

the above appointing authorities or as a regular member of the commission at the same time.

SEC. 172. Section 434.5 of the Revenue and Taxation Code is amended to read:

434.5. (a) On March 1, 1977 and March 1 of each year thereafter, up to and including March 1, 1979, timberland shall be valued according to the following schedule:

Redwood Region		Pine-Mixed Conifer Region	
Site I	$80	Site I	$60
Site II	$60	Site II	$50
Site III	$50	Site III	$40
Site IV	$30	Site IV	$30
Site V (and inoperable)	$20	Site V (and inoperable)	$20

When the assessor, pursuant to Section 434, designates a timberland parcel or portion thereof as inoperable, such timberland parcel or portion thereof shall be valued as if it is site V.

The Legislature finds and declares that the foregoing values are consistent with the taxation of timberland used primarily for growing timber and that these values are consistent with the intent of subdivision (j) of Section 3 of Article XIII of the Constitution.

(b) On or before January 1, 1980, and every third year thereafter, the board after consultation with the timber advisory committee and in compliance with procedures set forth for adoption of rules under the Administrative Procedure Act, shall adopt schedules reestablishing the value of each grade of timberland graded pursuant to Section 434 as if it were bare of forest growth, and recognizing that the restricted use of the land is for growing and harvesting timber and compatible uses. The board shall certify such values to county assessors by January 10 of each year. Such schedule shall remain in effect until subsequent revision pursuant to the provisions of this subdivision.

(c) Commencing January 1, 1977, the board shall collect such data as may be necessary to accurately value timberland pursuant to subdivision (b).

(d) In promulgating regulations pursuant to subdivision (b) the board shall determine the value of such timberland subject to the following:

(1) The board shall base the value of such land upon the existence of a 10-year enforceable restriction using commonly accepted systems of valuation;

(2) When the board is valuing timberland property within a timberland preserve zone by comparison with sales of other timberland properties in order to be considered comparable, the properties sold shall be at least 160 acres in size and shall be similarly restricted under a timberland preserve zone. Size and any discount for size and amenities shall not be factors in determining the value

of land zoned as timberland preserve which is valued by a method employing the use of comparable sales.

(e) For purposes of this section the value of each acre of timberland within each site class, within a timberland preserve zone, shall be presumed no greater than the value derived pursuant to subdivision (f).

(f) The board shall:

(1) Prepare, or cause to be prepared, timberland site capability tables which shall prescribe by site classification the potential annual yield of wood by species of mixture of species per acre.

(2) Multiply the potential annual yield by 10 percent.

(3) Multiply the result of paragraph (2) by an immediate harvest value, averaged for the previous 20 quarters, that is appropriate for the geographical area wherein such timberland values shall be applied.

(4) Divide the result of paragraph (3) by a capitalization rate of 10 percent expressed as a decimal.

Pursuant to paragraph (2) of this subdivision, the Legislature declares that 10 percent is the average percent of income from potential annual yield of wood that can be attributed to timberland as a productive component contributing to such income and the Legislature finds that it is in the public interest that values derived from analysis of sales of timberland restricted under timberland preserve zones shall not exceed this percentage.

(g) For the purposes of this section, the value of each acre of timberland within a timberland preserve zone shall be presumed to be no less than twenty dollars ($20) per acre.

SEC. 173. Section 2191.3 of the Revenue and Taxation Code is amended to read:

2191.3. Where there is a tax on:

(a) (1) A possessory interest secured only by a lien on such taxed possessory interest, or on

(2) Goods in transit, not secured by any lien on real property, or on

(3) Improvements that have been assessed pursuant to the provisions of Section 2188.2, or on

(4) Unsecured property not secured by a lien on any real property, and such tax has become delinquent; or where a tax has been:

(b) (1) Entered on the unsecured roll pursuant to Section 531.2 or 4836.5 of this code, or

(2) Transferred to the unsecured roll pursuant to Section 4831 of this code:

The tax collector may file for record without fee in the office of the county recorder of any county a certificate specifying the amount of the respective tax due, interest and penalties due, the name and last known address of the assessee liable for the amount, and the fact, if such be the fact, that all provisions of this division in the computation and levy of the tax have been complied with. The procedure authorized by this section is cumulative to the procedure provided

by Sections 2914 and 3003.

SEC. 174. Section 9157 of the Revenue and Taxation Code is repealed.

SEC. 175. Section 17081 of the Revenue and Taxation Code is amended to read:

17081. (a) If under a decree of dissolution or of separate maintenance, one spouse is to make periodic payments to the other spouse, the gross income of the spouse receiving such payment shall include such payments (whether or not made at regular intervals) received after such decree in discharge of (or attributable to property transferred, in trust or otherwise, in discharge of) a legal obligation which, because of the marital or family relationship, is imposed on or incurred by the other spouse under the decree or under a written instrument incident to such divorce or separation.

(b) If the spouses are separated, and there is a written separation agreement executed after August 16, 1954, the gross income of the spouse receiving payment under the decree shall include periodic payments (whether or not made at regular intervals) received after such agreement is executed which are made under such agreement and because of the marital or family relationship (or which are attributable to property transferred, in trust or otherwise, under such agreement and because of such relationship). This subdivision shall not apply if the husband and wife make a single return jointly.

(c) If a married person is separated from his or her spouse, periodic payments (whether or not made at regular intervals) received by one spouse from the other spouse under a decree entered after March 1, 1954, requiring such spouse to make the payments for his or her support or maintenance shall be included in gross income. This subdivision shall not apply if the husband and wife make a single return jointly.

SEC. 176. Section 40024 of the Revenue and Taxation Code is amended to read:

40024. Notwithstanding any other provision of law to the contrary, persons subject to the jurisdiction of the Public Utilities Commission need not obtain any authorization from the commission to comply with the provisions of this part.

SEC. 177. Section 40031 of the Revenue and Taxation Code is amended to read:

40031. Following approval of the Budget Act each year, beginning with the Budget Act for the 1975–76 fiscal year, the board shall determine, on the basis of expenditures authorized in the Budget Act to be made from the State Energy Resources Conservation and Development Special Account in the General Fund, the unappropriated balance in that account, and its estimate of kilowatt-hours to which the surcharge will apply, a surcharge rate that it estimates will produce sufficient revenues to fund the expenditures authorized.

SEC. 178. The heading of Article 3 (commencing with Section 90) of Chapter 1 of Division 1 of the Streets and Highways Code is

amended to read:

Article 3. The Department of Transportation

SEC. 179. Section 9250.7 of the Vehicle Code is amended to read:

9250.7. (a) In addition to the registration fees specified in Section 9250 and any weight fee, a service fee of one dollar ($1) shall be paid at the time of registration, or renewal of registration, of every vehicle during the 1973 calendar year, except such vehicles that are expressly exempted under this code from the payment of registration fees.

(b) All fees received by the department pursuant to this section shall be deposited in the Abandoned Vehicle Trust Fund, which is hereby created. All money in the fund is continuously appropriated to the Department of the California Highway Patrol for the administration and operation of the abandoned vehicle program and for expenditure in carrying out the provisions of Section 22710.

(c) The Department of the California Highway Patrol, in cooperation with county sheriffs and city police departments, shall make a survey of the number of abandoned vehicles located upon the streets and highways of this state, or which can be seen therefrom, and which cannot be traced to an owner or other person responsible for their abandonment.

SEC. 180. Section 11514 of the Vehicle Code is amended to read:

11514. (a) An automobile dismantler's established place of business and such other sites or locations as may be operated and maintained by such automobile dismantler in conjunction with his principal established place of business shall have posted, in a place conspicuous to the public in each and every site or location, the license issued by the department and shall have erected or posted thereon such signs or devices providing information relating to the automobile dismantler's name and the location and address of his established place of business so as to enable any person doing business with such automobile dismantler to identify him properly. Every such sign erected or posted on an established place of business shall have an area of not less than 32 square feet per side displayed and shall contain lettering not less than six inches in height. The sign shall indicate the nature of the dismantler's business by inclusion of "Automobile Dismantler", "Automobile Wrecker", "Motorcycle Dismantler", "Trailer Dismantler", "Vehicle Dismantler", or a combination of such designations on such sign.

(b) Any local authority may provide for a sign and lettering smaller than that specified in subdivision (a); however, no local authority shall require a sign to have an area of less than four square feet per side displayed.

SEC. 181. Section 11713 of the Vehicle Code is amended to read:

11713. It shall be unlawful and a violation of this code for the holder of any license issued under this article:

(a) To make or disseminate or cause to be made or disseminated before the public in this state, in any newspaper or other publication,

or any advertising device, or by public outcry or proclamation, or in any other manner or means whatever, any statement which is untrue or misleading, and which is known, or which by the exercise of reasonable care should be known, to be untrue or misleading; or to so make or disseminate or cause to be so disseminated any such statement as part of a plan or scheme with the intent not to sell any vehicle or service so advertised at the price stated therein, or as so advertised.

(b) To advertise or offer for sale or exchange in any manner, any vehicle not actually for sale at the premises of such dealer or available to said dealer from the manufacturer or distributor of such vehicle at the time of the advertisement or offer; provided however, that this subdivision does not apply to advertising or offering for sale or exchange any used mobilehome, as defined by Section 18008 of the Health and Safety Code, or used commercial coach, as defined by Section 18012 of the Health and Safety Code, other than a recreational vehicle, as defined by Section 18010.5 of the Health and Safety Code, where such advertising or offering for sale is not contrary to any terms of a contract between the seller of the mobilehome or commercial coach and the owner of the mobilehome park, and which mobilehome or commercial coach is either in place on a lot rented or leased for human habitation within an established mobilehome park, as defined in Section 18214 of the Health and Safety Code, or is otherwise located, pursuant to a local zoning ordinance or permit, on a lot where its presence has been authorized or its continued presence and such use would be authorized, for a total and uninterrupted period of at least one year.

(c) To fail within 48 hours in writing to withdraw any advertisement of a vehicle that has been sold or withdrawn from sale.

(d) To advertise or represent a vehicle as a new vehicle if such vehicle falls within the purview of Section 665 of this code.

(e) To engage in the business for which licensee is licensed without having in force and effect a good and sufficient bond with corporate surety as hereinbefore provided.

(f) For any licensed dealer to engage in the business for which such dealer is licensed without at all times maintaining an established place of business as required by this code.

(g) To include as an added cost to the selling price of a vehicle, an amount for licensing or transfer of title of the vehicle, which amount is not due to the state unless, prior to the sale, such amount has been paid by a dealer to the state in order to avoid penalties that would have accrued because of late payment of such fees. However, a dealer may collect, from the second purchaser of a vehicle, a prorated fee based upon the number of months remaining in the registration year for that vehicle, if the vehicle had been previously sold by the dealer and the sale was subsequently rescinded and all the fees that were paid, as required by this code and Chapter 2 (commencing with Section 10751) of Division 2 of the Revenue and Taxation Code, were returned to the first purchaser of the vehicle.

(h) To employ any person as a salesman who has not been licensed pursuant to Article 2 (commencing with Section 11800) of this chapter, and whose license is not displayed on the premises of the dealer as provided in Section 11812.

(i) To deliver, following sale, a vehicle for operation on California highways, if such vehicle does not meet all of the equipment requirements of Division 12 (commencing with Section 24000) of this code.

(j) To use or permit the use of the special plates assigned to him for any purpose other than permitted by Section 11715.

(k) To advertise or otherwise represent, or knowingly to allow to be advertised or represented on his behalf or at his place of business, that no downpayment is required in connection with the sale of a vehicle when a downpayment is in fact required and the buyer is advised or induced to finance such downpayment by a loan in addition to any other loan financing the remainder of the purchase price of the vehicle.

(*l*) To participate in the sale of a motor vehicle reported to the Department of Motor Vehicles under the provisions of Section 5900 of this code without making the return and payment of any sales tax due and required by Section 6451 of the Revenue and Taxation Code.

(m) To permit the use of his dealer's license, supplies, or books by any other person for the purpose of permitting that person to engage in the sale of vehicles required to be registered under this code, or to permit the use of his dealer's license, supplies, or books to operate a branch location to be used by any other person, if, in either situation, the licensee has no financial or equitable interest or investment in the vehicles sold by, or the business of, or branch location used by, such person, or has no such interest or investment other than commissions, compensations, fees, or any other thing of value received for the use of the dealer's license, supplies, or books to engage in the sale of vehicles.

(n) To violate any of the provisions of Article 10 (commencing with Section 28050) of Chapter 5 of Division 12 of this code.

(o) To fail to deliver or honor the terms and conditions of any warranty as set forth in Chapter 3 (commencing with Section 1797) of Title 1.7 of Part 4 of Division 3 of the Civil Code.

(p) To violate any of the terms or provisions of Chapter 6 (commencing with Section 11950) of Division 5.

(q) Has violated any of the provisions of Part 2 (commencing with Section 18000) of Division 13 of, or Section 18613 of, the Health and Safety Code or any rules and regulations issued pursuant thereto.

SEC. 182. Section 11902 of the Vehicle Code is amended to read:

11902. (a) The department shall issue a representative's license when satisfied that the applicant has furnished the required information, and that he intends in good faith to act as a representative and has paid the fees as required in Sections 9262 and 11723.

(b) The department may refuse to issue or may suspend or revoke

a license, when satisfied that:

(1) The information contained in the application is incorrect.

(2) The applicant or licensee, based on the information contained in the application or by subsequent investigation, is not of good moral character.

The conviction of a crime, including a conviction after a plea of nolo contendere, involving moral turpitude shall be prima facie evidence that the applicant or licensee is not of good moral character.

(3) The applicant or licensee has outstanding an unpaid final court judgment rendered in connection with an activity licensed under the authority of this chapter.

(4) The applicant or licensee was previously the holder of or was a partner in a partnership or was an officer, director, or stockholder involved in management of a corporation which was the holder of a license and certificate issued under this chapter, which license and certificate were revoked for cause and never reissued by the department or which license and certificate were suspended for cause and the terms of suspension have not been fulfilled.

(5) The applicant or licensee has committed any of those acts prohibited by Sections 11713.1 and 11713.2.

(c) Pending the satisfaction of the department that the applicant has met the requirements under this chapter, it may issue a temporary permit to any person applying for a representative's license. The temporary permit shall permit the operation by the representative for a period not to exceed 120 days while the department is completing its investigation and determination of all facts relative to the qualifications of the applicant to such a license. Such temporary permit shall be invalid when the applicant's license has been issued or refused.

(d) The department may issue a probationary representative's license upon any ground or grounds contained in subdivision (b) of this section subject to conditions to be observed in the exercise of the privilege granted either upon application for issuance of a license or upon application for renewal of a license. The conditions to be attached to the exercise of the privilege shall not appear on the face of the license but shall be such as may, in the judgment of the department, be in the public interest and suitable to the qualifications of the applicant as disclosed by the application and investigation by the department of the information contained therein.

SEC. 183. Section 12509 of the Vehicle Code is amended to read:

12509. (a) Except as otherwise provided in subdivision (f) of Section 12514, the department, for good cause, may issue an instruction permit to any physically and mentally qualified person who meets one of the following requirements and who applies to the department for an instruction permit:

(1) Is age 15 years and 6 months or over and has successfully completed approved courses in automobile driver education and

driver training as provided in Section 12507.

(2) Is age 15 years and 6 months or over and has successfully completed an approved course in automobile driver education and is taking driver training as provided in Section 12507.

(3) Is age 15 years or over and is enrolled in an approved driver education course and is at the same time or during the same semester enrolled in an approved driver training course.

(4) Is over the age of 17 years and 6 months.

(b) An instruction permit issued pursuant to subdivision (a) shall entitle the applicant to operate a vehicle, subject to the limitations imposed by this section and any other provisions of law, upon the highways for a period not exceeding 12 months.

(c) Any person, while having in his immediate possession a valid permit issued pursuant to subdivision (a), may operate a motor vehicle, other than a motorcycle or a motorized bicycle, when either taking the driver training instruction of a kind referred to in Section 12507, or when practicing such instruction, and when accompanied by, and under the immediate supervision of, a California licensed driver 18 years of age or over whose driving privilege is not on probation Except as provided in subdivision (d), such an accompanying licensed driver at all times shall occupy a position within the driver's compartment that would enable such accompanying licensed driver to assist the driver in controlling the vehicle as may be necessary to avoid a collision and to provide immediate guidance in the safe operation of such vehicle.

(d) Any person while having in his immediate possession a valid permit issued pursuant to subdivision (a), who is age 15 years and 6 months or over and who has successfully completed approved courses in automobile education and driver training as provided in Section 12507, and any person while having in his immediate possession a valid permit issued pursuant to subdivision (a) who is age 17 years and 6 months or over, may, in addition to operating a motor vehicle pursuant to subdivision (c), also operate a motorcycle or a motorized bicycle, except that such person shall not operate a motorcycle or a motorized bicycle during hours of darkness, shall stay off any freeways which have full control of access and no crossings at grade and shall not carry any passenger except an instructor licensed under Chapter 1 (commencing with Section 11100) of Division 5 of this code or a qualified instructor as defined in Section 18252.2 of the Education Code.

(e) No student shall take driver training instruction unless he is at the same time taking driver education instruction or has successfully completed driver education.

(f) The department may also issue an instruction permit to a person who has been issued a valid driver's license to authorize the person to obtain driver training instruction and to practice such instruction in order to obtain another class of driver's license or an endorsement.

(g) The department may further restrict permits issued under

subdivision (a) as it may determine to be appropriate to assure the safe operation of a motor vehicle by the permittee.

SEC. 184. Section 12650 of the Vehicle Code is amended to read:

12650. (a) Any student over 15 years of age taking a course in automobile driver training, maintained pursuant to Article 12 (commencing with Section 41900) of Chapter 5 of Part 24 of Division 3 of Title 2 of the Education Code, in a secondary school or enrolled in a driver training course offered by a private or parochial school of secondary level may apply to the principal of the school for a student license.

(b) The application shall be signed by the applicant before the principal of the school, or a staff member assigned to such duty. The application shall be accompanied by a statement signed by the parents or guardian or person having custody of the minor, consenting to the issuance of a student license to the student and accepting liability for civil damages arising out of the student driving a motor vehicle upon a highway as provided for in Division 9 (commencing with Section 17000) of this code.

(c) Notwithstanding any other provision of this code, if the person or persons required to sign a statement consenting to the issuance of a student license and accepting liability as provided in subdivision (b) are not residents of this state and the student resides at the school, or the student is a foster child with no parents or guardian available to sign this statement, the application may be accepted if the principal of the school or staff member assigned such duties certifies that the school has filed with the department a certificate of insurance carrier or surety company that there is in effect a policy or bond meeting the requirements of Section 16056, and that such policy or bond will cover the liability for civil damages arising out of the student driving a motor vehicle upon a highway.

SEC. 185. Section 13201.5 of the Vehicle Code is amended to read:

13201.5. (a) A court may suspend the privilege of any person to operate a motor vehicle, for a period not exceeding six months, upon conviction of driving while under the influence of intoxicating liquor or under the combined influence of intoxicating liquor and any drug.

In the alternative, and in addition to the provisions of subdivision (c) of Section 23102 and the provisions of Section 23102.3, a court may refrain from suspending such privilege if the person convicted of such offense has consented to participate in, for at least one year and in a manner satisfactory to the court, a public or private program for the treatment of problem drinking or alcoholism which, regardless of how it is funded, meets standards established by the Office of Alcoholism, which shall include, but need not be limited to, the following:

(1) Each program shall provide for close and regular supervision of the person, including face-to-face interviews at least once every other calendar week, regarding the person's progress in the program.

(2) The office shall set maximum fees to be charged for

participation in the program and shall require that each program make provision for persons who cannot afford such fees in order to enable such persons to participate in such programs.

(3) Each program shall include a variety of treatment services for problem drinkers and alcoholics or shall have the capability of referring such persons to, and regularly and closely supervising such persons while in, appropriate treatment services for their problem drinking or alcoholism.

In utilizing any such program, the court shall require periodic reports concerning the performance of the person participating in a program and the immediate report of any failure of the person to comply with the program's rules and regulations. If, at any time while participating in the program, the person fails to comply with the rules and regulations of the program, the court, upon finding such fact, shall immediately suspend, or order suspension or revocation of, the privilege of such person to operate a motor vehicle for the period prescribed by law.

No person may be admitted into a program for the treatment of problem drinking or alcoholism pursuant to this section more than once.

The provisions of this section afford a rehabilitative program for problem drinkers or alcoholics that is in addition to any other program or procedure relating to treatment of drinking drivers established in the criminal justice system, and the provisions of this section shall not be construed to restrict or supersede such programs or procedures, nor to prevent the future establishment of similar programs or procedures.

Further, the provisions of this subdivision shall not be construed as requiring a court, upon a first conviction of a person for driving while under the influence of intoxicating liquor or under the combined influence of intoxicating liquor and any drug, to suspend the privilege of that person to operate a motor vehicle if the court finds that a program for the treatment of problem drinking or alcoholism is not appropriate for such a person and if such person has consented to participate in, and does participate in and successfully completes, a driver improvement program designated by the court, as provided in subdivision (c) of Section 23102.

(b) In order to determine which types of programs can most effectively provide for treatment of persons convicted of such offenses, this section shall be implemented during the period from January 1, 1976, through December 31, 1977, on a demonstration basis in four or fewer counties deemed most appropriate for that purpose by the office. The office shall approve several types of programs in such counties in order to prepare for effective implementation of this section statewide. This section shall be applicable in all counties commencing January 1, 1978.

SEC. 186. Section 21051 of the Vehicle Code is amended to read:

21051. The following sections apply to trolley coaches:

(a) Sections 1800, 4000, 4001, 4002, 4003, 4006, 4009, 4150, 4151, 4152,

4153, 4155, 4156, 4158, 4166, 4300 to 4309, inclusive, 4450 to 4454, inclusive, 4457, 4458, 4459, 4460, 4600 to 4610, inclusive, 4750, 4751, 4850, 4851, 4852, 4853, 5000, 5200 to 5205, inclusive, 5904, 6052, 8801, 9254, and 40001 with respect to 4000, relating to original and renewal of registration.

(b) Sections 9250, 9265, 9400, 9406, 9407, 9408, 9550, 9552, 9553, 9554, 9800 to 9809, inclusive, 14901, 42230 to 42234, inclusive, relating to registration and other fees.

(c) Sections 2800, 10851, 10852, 10853, 20001 to 20009, inclusive, 21052, 21053, 21054, 21450 to 21457, inclusive, 21461, 21650, 21651, 21658, 21659, 21700, 21701, 21702, 21703, 21709, 21712, 21750, 21753, 21754, 21755, 21800, 21801, 21802, 21806, 21950, 21951, 22106, 22107, 22108, 22109, 22350, 22351, 22352, 22400, 22450 to 22453, inclusive, 23101 to 23107, inclusive, 23110, 40831, 42002 with respect to 10852 and 10853, and 42004, relating to traffic laws.

(d) Sections 26706, 26707, and 26708, relating to equipment.

(e) Sections 17301, 17302, 17303, 21461, 35000, 35100, 35101, 35105, 35106, 35111, 35550, 35551, 35750, 35751, 35753, 40000, 40001, 40003, and 42031, relating to the size, weight, and loading of vehicles.

SEC. 187. Section 23102 of the Vehicle Code is amended to read:

23102. (a) It is unlawful for any person who is under the influence of intoxicating liquor, or under the combined influence of intoxicating liquor and any drug, to drive a vehicle upon any highway.

(b) It is unlawful for any person who is under the influence of intoxicating liquor, or under the combined influence of intoxicating liquor and any drug, to drive a vehicle upon other than a highway.

The department shall not be required to provide patrol or enforce the provisions of this subdivision.

(c) Any person convicted under this section shall be punished upon a first conviction by imprisonment in the county jail for not less than 48 hours nor more than six months or by fine of not less than two hundred fifty dollars ($250) nor more than five hundred dollars ($500) or by both such fine and imprisonment. If, however, any person so convicted consents to, and does participate and successfully completes, a driver improvement program or treatment program for persons who are habitual users of alcohol, or both such programs, as designated by the court, the court shall punish such person by a fine of not less than one hundred fifty dollars ($150) nor more than five hundred dollars ($500) or by imprisonment in the county jail for not less than 48 hours nor more than six months or by both such fine and imprisonment.

(d) Any person convicted under this section shall be punished upon a second or any subsequent conviction, within five years of a prior conviction, by imprisonment in the county jail for not less than 48 hours nor more than one year and by a fine of not less than two hundred fifty dollars ($250) nor more than one thousand dollars ($1,000). A conviction under this section shall be deemed a second conviction if the person has previously been convicted of a violation

of Section 23101, 23105, or 23106.

(e) If any person is convicted of a second or subsequent offense under this section within five years of a prior conviction and is granted probation, it shall be a condition of probation that such person be confined in jail for at least 48 hours but not more than one year and pay a fine of at least two hundred fifty dollars ($250) but not more than one thousand dollars ($1,000).

(f) In no event does the court have the power to absolve a person who is convicted of a second or subsequent offense under this section within five years of a prior conviction from the obligation of spending at least 48 hours in confinement in the county jail and of paying a fine of at least two hundred fifty dollars ($250), except as provided in subdivision (g).

(g) Except in unusual cases where the interests of justice demand an exception, the court shall not strike a prior conviction of an offense under this section for purposes of sentencing in order to avoid imposing as part of the sentence or term of probation the minimum time in confinement in the county jail and the minimum fine, as provided in subdivision (f).

When such a prior conviction is stricken by the court for purposes of sentencing, the court shall specify the reason or reasons for such striking order.

On appeal by the people from such an order striking such a prior conviction it shall be conclusively presumed that such order was made only for the reasons specified in such order and such order shall be reversed if there is no substantial basis in the record for any of such reasons.

(h) The court may order that any person convicted under this section who is punished by imprisonment in jail, be imprisoned on days other than days of regular employment of the person, as determined by the court.

(i) If the person convicted under this section is under the age of 21 years and the vehicle used in any such violation is registered to such person, the vehicle may be impounded at the owner's expense for not less than one day nor more than 30 days.

SEC. 188. Section 27150 of the Vehicle Code is amended to read:

27150. (a) Every motor vehicle subject to registration shall at all times be equipped with an adequate muffler in constant operation and properly maintained to prevent any excessive or unusual noise, and no muffler or exhaust system shall be equipped with a cutout, bypass, or similar device.

(b) Every passenger vehicle, except an off-highway motor vehicle subject to identification as defined in Section 38012, operated off the highways shall at all times be equipped with an adequate muffler in constant operation and properly maintained so as to meet the requirements of Article 2.5 (commencing with Section 27200) of this Chapter, and no muffler or exhaust system shall be equipped with a cutout, bypass, or similar device.

(c) The provisions of subdivision (b) shall not be applicable to

passenger vehicles being operated off the highways in an organized racing or competitive event conducted under the auspices of a recognized sanctioning body or by permit issued by the local govermental authority having jurisdiction.

SEC. 189. Section 41603 of the Vehicle Code is amended to read:

41603. No state or local agency employing peace officers engaged in the enforcement of this code shall use the number of arrests or citations issued by a peace officer as the sole criteria for promotion, demotion, dismissal, or the earning of any benefit provided by the agency. Any such arrests or citations, and their ultimate dispositions, may only be considered in evaluating the overall performance of a peace officer. Such an evaluation may include, but shall not be limited to, criteria such as attendance, punctuality, work safety, complaints by citizens, commendations, demeanor, formal training, and professional judgment.

SEC. 190. Section 13142.5 of the Water Code is amended to read:

13142.5. In addition to any other policies established pursuant to this division, the policies of the state with respect to water quality as it relates to the coastal marine environment are that:

(a) Waste water discharges shall be treated to protect present and future beneficial uses, and, where feasible, to restore past beneficial uses of the receiving waters. Highest priority shall be given to improving or eliminating discharges that adversely affect any of the following:

(1) Wetlands, estuaries, and other biologically sensitive sites.

(2) Areas important for water contact sports.

(3) Areas that produce shellfish for human consumption.

(4) Ocean areas subject to massive waste discharge.

Ocean chemistry and mixing processes, marine life conditions, other present or proposed outfalls in the vicinity, and relevant aspects of areawide waste treatment management plans and programs, but not of convenience to the discharger, shall for the purposes of this section, be considered in determining the effects of such discharges. Toxic and hard-to-treat substances should be pretreated at the source if such substances would be incompatible with effective and economical treatment in municipal treatment plants.

(b) For each new or expanded coastal powerplant or other industrial installation using seawater for cooling, heating, or industrial processing, the best available site, design, technology, and mitigation measures feasible shall be used to minimize the intake and mortality of all forms of marine life.

(c) Where otherwise permitted, new warmed or cooled water discharges into coastal wetlands or into areas of special biological importance, including marine reserves and kelp beds, shall not significantly alter the overall ecological balance of the receiving area.

(d) Independent baseline studies of the existing marine system should be conducted in the area that could be affected by a new or expanded industrial facility using seawater in advance of the

carrying out of the development.

(e) Adequately treated reclaimed water should, where feasible, be made available to supplement existing surface and underground supplies and to assist in meeting future water requirements of the coastal zone, and that consideration, in statewide programs of financial assistance for water pollution or water quality control, shall be given to providing optimum water reclamation and use of reclaimed water.

SEC. 191. Section 31014 of the Water Code, as added by Chapter 1052 of the Statutes of 1976, is amended and renumbered to read:

31014.5. The term "irrigation district" as used in Chapter 1046 of the Statutes of 1969 includes a county water district and the Orange County Water District.

SEC. 192. Section 71670 of the Water Code is amended to read:

71670. A district may acquire, construct, and operate facilities for the collection, treatment, and disposal of sewage, waste, and storm water of the district and its inhabitants.

For purposes of this article, "waste" is as defined in subdivision (d) of Section 13050, and also includes any and all aquatic vegetation, except riparian vegetation, which threatens or adversely affects the quality of the waters within the district. "Quality of the waters" is as defined in subdivision (g) of Section 13050.

The district may prescribe, revise, and collect rates or other charges for the services and facilities furnished pursuant to this article.

SEC. 193. Section 71673 of the Water Code is repealed.

SEC. 194. Section 71681 of the Water Code is repealed.

SEC. 195. Section 628 of the Welfare and Institutions Code is amended to read:

628. (a) Upon delivery to the probation officer of a minor who has been taken into temporary custody under the provisions of this article, the probation officer shall immediately investigate the circumstances of the minor and the facts surrounding his being taken into custody and shall immediately release such minor to the custody of his parent, guardian, or responsible relative unless one or more of the following conditions exist:

(1) The minor is in need of proper and effective parental care or control and has no parent, guardian, or responsible relative; or has no parent, guardian, or responsible relative willing to exercise or capable of exercising such care or control; or has no parent, guardian, or responsible relative actually exercising such care or control.

(2) The minor is destitute or is not provided with the necessities of life or is not provided with a home or suitable place of abode.

(3) The minor is provided with a home which is an unfit place for him by reason of neglect, cruelty, depravity or physical abuse of either of his parents, or of his guardian or other person in whose custody or care he is.

(4) Continued detention of the minor is a matter of immediate and urgent necessity for the protection of the minor or reasonable

necessity for the protection of the person or property of another.

(5) The minor is likely to flee the jurisdiction of the court.

(6) The minor has violated an order of the juvenile court.

(7) The minor is physically dangerous to the public because of a mental or physical deficiency, disorder or abnormality.

(b) In any case in which there is reasonable cause for believing that a minor who is under the care of a physician or surgeon or a hospital, clinic, or other medical facility and cannot be immediately moved is a person described in subdivision (d) of Section 300, the minor shall be deemed to have been taken into temporary custody and delivered to the probation officer for the purposes of this chapter while he is at the office of the physician or surgeon or such medical facility.

SEC. 196. Section 701 of the Welfare and Institutions Code is amended to read:

701. At the hearing, the court shall first consider only the question whether the minor is a person described by Section 300, 601, or 602. The admission and exclusion of evidence shall be pursuant to the rules of evidence established by the Evidence Code and by judicial decision. Proof beyond a reasonable doubt supported by evidence, legally admissible in the trial of criminal cases, must be adduced to support a finding that the minor is a person described by Section 602, and a preponderance of evidence, legally admissible in the trial of civil cases must be adduced to support a finding that the minor is a person described by Section 300 or 601. When it appears that the minor has made an extrajudicial admission or confession and denies the same at the hearing, the court may continue the hearing for not to exceed seven days to enable the prosecuting attorney to subpoena witnesses to attend the hearing to prove the allegations of the petition. If the minor is not represented by counsel at the hearing, it shall be deemed that objections that could have been made to the evidence were made.

SEC. 197. Section 701.1 of the Welfare and Institutions Code is amended to read:

701.1. Where the court finds, based upon competent professional evidence, that an injury, injuries, or detrimental condition sustained by a minor, of such a nature as would ordinarily not be sustained except as the result of the unreasonable or neglectful acts or omissions of either parent, the guardian, or other person who has the care or custody of the minor, such evidence shall be prima facie evidence of the minor's need of proper and effective parental care, and such proof shall be sufficient to support a finding that the minor is described by subdivision (a) of Section 300.

SEC. 198. Section 701.2 of the Welfare and Institutions Code is amended to read:

701.2. Where the court finds, based upon competent professional evidence, that an injury, injuries, or detrimental condition sustained by a minor, of such a nature as would ordinarily not be sustained except as the result of the unreasonable or neglectful acts or

omissions of either parent, the guardian, or other person who has the care or custody of the minor, such evidence shall be prima facie evidence that the minor's home is an unfit place for him by reason of the neglect of either of his parents, his guardian, or other person who has the care or custody of said minor, and such proof shall be sufficient to support a finding that the minor is described by subdivision (d) of Section 300.

SEC. 199. Section 701.3 of the Welfare and Institutions Code is amended to read:

701.3. Where the court finds, based upon competent professional evidence, that an injury, injuries, or detrimental condition sustained by a minor, of such a nature as would ordinarily not be sustained except as the result of the unreasonable or neglectful acts or omissions of either parent, the guardian, or other person who has the care or custody of the minor, such evidence shall be prima facie evidence that the minor's home is an unfit place for him by reason of the cruelty to him by either of his parents, his guardian, or other person who has the care or custody of said minor, and such proof shall be sufficient to support a finding that the minor is described by subdivision (d) of Section 300.

SEC. 200. Section 701.4 of the Welfare and Institutions Code is amended to read:

701.4. Where the court finds, based upon competent professional evidence, that an injury, injuries, or detrimental condition sustained by a minor, of such a nature as would ordinarily not be sustained except as the result of the unreasonable or neglectful acts or omissions of either parent, the guardian, or other person who has the care or custody of the minor, such evidence shall be prima facie evidence that the minor's home is an unfit place for him by reason of the physical abuse of him by either of his parents, his guardian, or other person who has the care or custody of said minor, and such proof shall be sufficient to support a finding that the minor is described by subdivision (d) of Section 300.

SEC. 201. Section 701.5 of the Welfare and Institutions Code is amended to read:

701.5. Proof that either parent, the guardian, or other person who has the care or custody of a minor who is the subject of a petition filed under Section 300, has physically abused, neglected, or cruelly treated another minor shall be admissible in evidence.

SEC. 202. Section 701.7 of the Welfare and Institutions Code is amended to read:

701.7. Testimony by a parent, guardian, or other person who has the care or custody of the minor made the subject of a proceeding under subdivision (a) or (d) of Section 300 shall not be admissible as evidence in any other action or proceeding

SEC. 203. Section 702 of the Welfare and Institutions Code is amended to read:

702. After hearing such evidence, the court shall make a finding, noted in the minutes of the court, whether or not the minor is a

person described by Section 300, 601, or 602. If it finds that the minor is not such a person, it shall order that the petition be dismissed and the minor be discharged from any detention or restriction theretofore ordered. If the court finds that the minor is such a person, it shall make and enter its findings and order accordingly, and shall then proceed to hear evidence on the question of the proper disposition to be made of the minor. Prior to doing so, it may continue the hearing, if necessary, to receive the social study of the probation officer or to receive other evidence on its own motion or the motion of a parent or guardian for not to exceed 10 judicial days if the minor is detained during such continuance, and if the minor is not detained, it may continue the hearing to a date not later than 30 days after the date of filing of the petition. The court may, for good cause shown continue the hearing for an additional 15 days, if the minor is not detained. The court may make such order for detention of the minor or his release from detention, during the period of the continuance, as is appropriate.

If the minor is found to have committed an offense which would in the case of an adult be punishable alternatively as a felony or a misdemeanor, the court shall declare the offense to be a misdemeanor or felony.

SEC. 204. Section 727 of the Welfare and Institutions Code is amended to read:

727. (1) When a minor is adjudged a dependent child of the court, on the ground that he is a person described by Section 300, or is adjudged a ward of the court on the ground that he is a person described by Section 601 the court may make any and all reasonable orders for the care, supervision, custody, conduct, maintenance, and support of such minor, including medical treatment, subject to further order of the court.

The court may order the care, custody, control and conduct of such minor to be under the supervision of the probation officer or may commit such minor to the care, custody and control of:

(a) Some reputable person of good moral character who consents to such commitment.

(b) Some association, society, or corporation embracing within its objects the purpose of caring for such minors, with the consent of such association, society, or corporation.

(c) The probation officer, to be boarded out or placed in some suitable family home or suitable private institution, subject to the requirements of Chapter 3 (commencing with Section 1500) of Division 2 of the Health and Safety Code; provided, however, that pending action by the State Department of Health, the placement of a minor in a home certified as meeting minimum standards for boardinghomes by the probation officer shall be legal for all purposes.

(d) Any other public agency organized to provide care for needy or neglected children.

When a minor is adjudged a dependent child of the court, on the

ground that he is a person described by Section 300 and the court orders that a parent or guardian shall retain custody of such minor subject to the supervision of the probation officer, the parent or guardian may be required, and may be ordered, to participate in a counseling program to be provided by an appropriate agency designated by the court. When a minor is adjudged a dependent child of the court on the ground that he is a person described by subdivision (d) of Section 300 and the court orders that a parent or guardian shall retain custody of such minor subject to the supervision of the probation officer, the parent or guardian shall be required to participate in a counseling program to be provided by an appropriate agency, designated by the court.

When a minor has been adjudged a ward of the court on the ground that he is a person described in Section 601 or 602 and the court finds that notice has been given in accordance with Section 661, and when the court orders that a parent or guardian shall retain custody of such minor subject to the supervision of the probation officer, the parent or guardian may be required to participate with such minor in a counseling program to be provided by an appropriate agency designated by the court.

(2) The juvenile court may direct any and all reasonable orders to the parents and guardians of the minor who is the subject of any proceedings under this chapter as the court deems necessary and proper to carry out the provisions of subdivision (1).

SEC. 205. The heading of Article 13.1 (commencing with Section 840) of Chapter 2 of Part 1 of Division 2 of the Welfare and Institutions Code is amended and renumbered to read:

Article 22.5. Home Supervision

SEC. 206. Section 4026 of the Welfare and Institutions Code is repealed.

SEC. 207. Section 6325.1 of the Welfare and Institutions Code, as added by Chapter 1274 of the Statutes of 1975, is amended and renumbered to read:

6325.2. If a mentally disordered sex offender is committed or transferred to a state hospital pursuant to this section, the committing court may, upon receiving the written recommendation of the superintendent of the state hospital and the county mental health director that the person be transferred to a public or private mental health facility approved by the county mental health director, order the person transferred to such facility. If the person is committed or transferred to a public or private mental health facility approved by the county mental health director, the committing court may, upon receiving the written recommendation of the county mental health director, transfer the person to a state hospital.

The defendant or prosecuting attorney, if he chooses to contest either kind of order of transfer, may petition the court for a hearing

which shall be held if the court determines that sufficient grounds exist. At such hearing, the prosecuting attorney or the defendant may present evidence bearing on the order of transfer. The court shall use the same standards used in conducting probation revocation hearings pursuant to Section 1203.2 of the Penal Code.

Prior to making an order for transfer under this section, the court shall notify the person, the prosecuting attorney of record for the person, and the county mental health director or his designee.

(a) If the superintendent of the state hospital or other facility to which the person is committed or transferred as a mentally disordered sex offender is of the opinion that a person has improved to such an extent that he is no longer a danger to the health and safety of others and will benefit from outpatient treatment, the superintendent may file with the committing court an announcement of intent to place the person on outpatient treatment. In those cases where the person has been found guilty of murder, assault with intent to commit murder, a violation of Section 207 or 209 of the Penal Code in which the victim suffers intentionally inflicted great bodily injury, a violation of subdivision 2 or 3 of Section 261 of the Penal Code, a violation of Section 220 of the Penal Code in which the victim suffers great bodily injury, or if the person has been found guilty of a felony involving death, great bodily injury, or an act which poses a serious threat of bodily harm to another person, the superintendent of the state hospital or other facility to which the person is committed shall not file a petition for outpatient treatment until the person has been confined in the facility for a minimum of 90 days. Within 15 days after receipt of the announcement of intent, after notice to the prosecuting attorney and to the attorney of record for the person, the court shall, after a hearing in open court, approve or disapprove the announcement of intent. If the approval of the court is given, the person shall be treated as an outpatient. Prior to filing such an announcement of intent the superintendent shall obtain the agreement of the county mental health director, the person in charge of a mental health facility and the person who has been recommended for outpatient treatment that the person will receive and submit to outpatient treatment and that the person in charge of the facility will designate a person to be the outpatient supervisor of the person. At 90-day intervals following the beginning of outpatient treatment, the outpatient supervisor shall make a report in writing to the court, the state hospital or other facility to which the person was committed, the county mental health director or his designee, and to the person in charge of the mental health facility setting forth the status and progress of the person. The maximum period of such treatment, shall not exceed one year. The court may at the end of such maximum period renew its approval for additional outpatient treatment.

(b) When the outpatient supervisor is of the opinion that the person is no longer a mentally disordered sex offender, the supervisor shall communicate such opinion to the person in charge

of the facility, and if the person in charge of the facility concurs, he shall certify the opinion to the committing court, prosecuting attorney, attorney of record for the person, and the county mental health director or his designee. The court shall calendar the case for further proceedings pursuant to Section 6325.

(c) If at any time during an outpatient treatment period the outpatient supervisor is of the opinion that the person requires extended inpatient treatment or refuses to accept further outpatient treatment, he shall communicate such opinion or refusal to the person in charge of the facility. If the person in charge of the facility concurs, the person shall be returned to the state hospital or other facility to which he was committed or transferred pursuant to Section 6316. The person in charge of the facility shall notify the county mental health director or his designee of the person's return. Such return shall be reviewable by a writ of habeas corpus only. If a verified petition for a writ alleges on its face facts sufficient to justify relief, an order to show cause shall issue.

(d) If at any time during an outpatient treatment period the prosecuting attorney is of the opinion that the person is a danger to the health and safety of others while on outpatient treatment, he may petition the court for a hearing to determine whether the person shall be continued on outpatient treatment. Upon receipt of the petition, the court shall calendar the case for further proceedings and the clerk shall notify the person, outpatient supervisor, attorney of record for the person, and the county mental health director or his designee of the calendared date. Upon failure of the person to appear as noticed, if a proper affidavit of service and advisement has been filed with the court, the court may issue a body attachment for such person. If, after a hearing in open court conducted with the same standards used in probation revocation hearings pursuant to Section 1203.2 of the Penal Code, the judge of the committing court determines that the person is a danger to the health and safety of others, he shall order the person returned to the state hospital or other facility to which he was committed or transferred pursuant to Section 6316.

The court shall transmit a copy of its order to the county mental health director or his designee. Such order shall be reviewable by a writ of habeas corpus only.

(e) An outpatient who requires inpatient treatment pending determination of his outpatient status pursuant to subdivisions (c) and (d) shall receive such treatment subject to the provisions of Sections 5150, 5200, 5250, and 5300 of the Welfare and Institutions Code.

The person in charge of the facility in which an outpatient receives inpatient treatment shall notify the county mental health director or his designee of inpatient treatment provided to an outpatient under this section.

SEC. 208. Section 7375 of the Welfare and Institutions Code is amended to read:

7375. (a) A patient committed to a state hospital or other facility under the provisions of Chapter 6 (commencing with Section 1367), Title 10, Part 2, of the Penal Code, shall, upon the certificate of the medical director of the hospital or facility that the person has recovered, approved by the superior judge of the county from which the patient was committed, be redelivered to the sheriff of such county, and dealt with in accordance with the provisions of Chapter 6 of the Penal Code. The sheriff shall immediately return the person to the court for further proceedings. Within two judicial days of the person's return, the court shall hold a hearing to determine whether the person is entitled to be admitted to bail or released on his own recognizance pending conclusion of the proceedings.

(b) A person committed to a state hospital or other facility under the provisions of Section 1026 of the Penal Code shall be released therefrom only upon determination that his sanity has been restored, as provided in Sections 1026 and 1026a of the Penal Code, except as otherwise expressly provided in subdivision (c) or (d) of this section.

(c) Whenever any such person has been confined in a state hospital or other facility for 90 days or more, after having been committed to a state hospital or other facility under the provisions of Section 1026 of the Penal Code in a criminal proceeding in which the offense alleged to have been committed by such person was punishable by a penalty other than death, and the medical director of the hospital or facility is of the opinion that the person has improved to such an extent that he is no longer a danger to the health and safety of others and that the person will receive benefit from parole, the medical director may certify said opinion to the committing court and to the county mental health director or his designee. Within 30 days after the receipt of the certification, after notice to the person, the prosecuting attorney, the attorney of record for the person, and the county mental health director or his designee, the court shall, after a hearing in open court, approve or disapprove such recommendation. The court shall transmit a copy of its order to the county mental health director or his designee. If the approval of the court is given, the medical director of the hospital or other facility may parole the person under such terms and conditions as the medical director specifies. The parole may include releasing the person to the custody of the local mental health director in the county from which the person was committed, for one or more periods not to exceed 30 days in each case, to facilitate the adjustment of the person to the community pending a determination with regard to his restoration of sanity. The parole shall be on the same general terms and conditions as parole of the mentally disordered committed under the provisions of this code. If the court disapproves of such recommendation, no further recommendation for parole shall be made by the medical director until six months have elapsed from the date of the last preceding recommendations.

(d) Whenever any such person has been confined in a state hospital or other facility for three years or more, after having been

committed to a state hospital or other facility under the provisions of Section 1026 of the Penal Code in a criminal proceeding in which the offense alleged to have been committed by such person was punishable by death, and the medical director of the hospital or facility is of the opinion that the person has improved to such an extent that he is no longer a danger to the health and safety of others and that the person will receive benefit from parole, the medical director may certify said opinion to the committing court and to the county mental health director or his designee. Within 30 days after the receipt of the certification, after notice to the prosecuting attorney and the county mental health director or his designee, the court shall, after a hearing in open court, approve or disapprove such recommendation. The court shall transmit a copy of its order to the county mental health director or his designee. If the approval of the court is given, the medical director of the hospital or other facility may parole the person under such terms and conditions as the medical director specifies. The parole may include releasing the person to the custody of the local mental health director in the county from which the person was committed, for one or more periods not to exceed 30 days in each case, to facilitate the adjustment of the person to the community pending a determination with regard to his restoration of sanity. The parole shall be on the same general terms and conditions as parole of the mentally disordered committed under the provisions of this code. If the court disapproves of such recommendation, no further recommendation for parole shall be made by the medical director until six months have elapsed from the date of the last preceding recommendation.

(1) If the medical director of the state hospital or other facility is of the opinion that a person who has been committed to the state hospital or other facility pursuant to Section 1026 of the Penal Code has improved to such an extent that he is no longer a danger to the health and safety of others while on outpatient treatment and will benefit from outpatient treatment, the medical director may allow the person to be treated as an outpatient.

An announcement of intent to place the person on outpatient status shall be filed with the court of commitment, the prosecuting attorney, and attorney of record for the person at least 15 days in advance of the change in status. The court may hold a hearing and (1) approve or disapprove of the plan or (2) take no action, in which case the plan shall be deemed approved. The court shall transmit a copy of its order to the county mental health director or his designee. At the request of the prosecuting attorney, a hearing shall be held. Prior to filing such announcement of intent the medical director shall obtain the agreement of the county mental health director, the person in charge of a mental health facility and the person who has been recommended for outpatient treatment, that the person will receive and submit to outpatient treatment and that the person in charge of the facility will designate a person to be the outpatient supervisor of the person. At 90-day intervals following the beginning

of outpatient treatment, the outpatient supervisor shall make a report in writing to the court, the state hospital or other facility to which the person was committed and to the person in charge of the mental health facility setting forth the status and progress of the person. The maximum period of such treatment shall not exceed one year. The court may at the end of such maximum period renew its approval for additional outpatient treatment upon the recommendation of the medical director of the state hospital or facility. The court shall communicate such renewal to the county mental health director or his designee.

(2) When the outpatient supervisor is of the opinion that the person has regained his sanity, the supervisor shall communicate such opinion to the person in charge of the facility, and if the person in charge of the facility concurs, he shall certify the opinion to the person, the committing court, the prosecuting attorney, the attorney of record for the person, and the county mental health director or his designee. The court shall calendar the case for further proceedings for release pursuant to Penal Code Section 1026a.

(3) If at any time during an outpatient treatment period the outpatient supervisor is of the opinion that the person refuses to accept outpatient treatment, or requires inpatient treatment, he shall communicate such opinion or refusal to the person in charge of the facility. If the person in charge of the facility concurs, the person shall be returned to the state hospital or other facility to which he was committed or transferred pursuant to Section 1026. The person in charge of the facility shall notify the county mental health director or his designee of the person's return. Such return shall be reviewable by a writ of habeas corpus only. If a verified petition for a writ alleges on its face facts sufficient to justify relief, an order to show cause shall issue.

(4) If at any time during an outpatient treatment period the prosecuting attorney is of the opinion that the person is a danger to the health and safety of others while on outpatient treatment, he may petition the court for a hearing to determine whether the person shall be continued on outpatient treatment. The court shall use the same standards as used in conducting probation revocation hearings pursuant to Section 1203.2 of the Penal Code. Upon receipt of the petition, the court shall calendar the case for further proceedings and the clerk shall notify the person, outpatient supervisor, the county mental health director or his designee, and attorney of record for the person of the calendared date. Upon failure of the person to appear as noticed, if a proper affidavit of service and advisement has been filed with the court, the court may issue a body attachment for the person. If, after a hearing in open court, the judge of the committing court determines that the person is a danger to the health and safety of others, he shall order the person returned to the state hospital or other facility to which he was committed pursuant to Section 1026. The court shall transmit a copy of its order to the county mental health director or his designee. Such order shall be reviewable by a

writ of habeas corpus only.

(5) An outpatient who requires inpatient treatment pending determination of his outpatient status pursuant to subdivision (3) and (4) shall receive such treatment subject to the provisions of Sections 5150, 5200, 5250, and 5300 of the Welfare and Institutions Code. The person in charge of the facility in which an outpatient receives inpatient treatment shall notify the county mental health director or his designee of inpatient treatment provided to an outpatient under this section.

(e) A convict received into a state hospital under the provisions of Section 2684 of the Penal Code, shall, on recovery, be returned to prison in accordance with the provisions of Section 2685 of the Penal Code.

SEC. 209. Section 9303 of the Welfare and Institutions Code is amended to read:

9303. The director shall:

(a) Be responsible for the management of the department;

(b) Administer the laws pertaining to the purposes of this division;

(c) With the advice of the commission, formulate, adopt, amend or repeal regulations and general policies affecting the purposes, responsibilities and jurisdiction of the department and which are consistent with law and necessary for the administration of this division;

(d) Assist the commission in the carrying out of its duties;

(e) Perform other duties as may be prescribed by law.

SEC. 210. Section 9312 of the Welfare and Institutions Code is amended to read:

9312. In addition to any nutrition programs conducted under the McCarthy-Kennick Nutrition Program for the Elderly Act of 1972, the department may make funds available from Section 17 of this act with the approval of the Department of Finance to other nutrition projects serving the needs of individuals aged 60 or over provided by public or private nonprofit persons or agencies upon such terms and conditions as the department specifies.

SEC. 211. Section 10053.7 of the Welfare and Institutions Code, as added by Chapter 485 of the Statutes of 1973, is amended and renumbered to read:

10053.9. The State Department of Health shall establish within its certified family care program respite care services for the mentally retarded. Such respite care services shall be available to both certified family home caretakers and to persons referred by the regional mental retardation centers. For purposes of this section, respite care means temporary and intermittent care provided for short periods of time.

The rate of reimbursement for such respite care service shall be established by the department after it conducts a study to determine if there are increased costs inherent in the provision of an intermittent and irregular service.

By March 1, 1974, the State Department of Health shall report to

the Legislature the number of certified family care beds designated for respite care, their location, and the rate of reimbursement established.

SEC. 212. Section 10544.3 of the Welfare and Institutions Code is amended and renumbered to read:

10554.3. All regulations heretofore adopted by the Director of Health which relate to payment, accounting, auditing and collection functions vested in the Department of Benefit Payments shall remain in effect and shall be fully enforceable unless and until readopted, amended or repealed by the Director of Benefit Payments.

SEC. 213. Section 10602.5 of the Welfare and Institutions Code, as added by Chapter 171 of the Statutes of 1975, is amended and renumbered to read:

10602.4. The Employment Development Department shall investigate, examine, and make reports upon the public officers who are in any way responsible for the administration of public funds used for services which are administered by the Employment Development Department.

SEC. 214. Section 11008.9 of the Welfare and Institutions Code is amended to read:

11008.9. Loans or grants provided for in Section 69650 of the Education Code are deemed to be for educational purposes and to the extent permitted by federal law, shall not be used or considered in determining the need of any applicant or recipient or as part of the amounts used to determine the eligibility of any applicant or recipient for public assistance programs.

This section shall not apply to recipients under Chapter 3 (commencing with Section 12000) of this part.

SEC. 215. Section 11063 of the Welfare and Institutions Code is amended to read:

11063. The provisions of this article do not apply to recipients under Chapter 3 (commencing with Section 12000) of this part, unless otherwise expressly indicated.

SEC. 216. Section 11478.5 of the Welfare and Institutions Code is amended to read:

11478.5. There is in the Department of Justice a parent locator service showing, as far as is known, with respect to any parent who has deserted or abandoned any child:

(a) The full and true name of such parent together with any known aliases;

(b) Date and place of birth;

(c) Physical description;

(d) Social security number;

(e) Occupation;

(f) Military status and Veterans Administration or military service serial number;

(g) Last known address and date thereof;

(h) Driver's license number;

(i) Any police record; and

(j) Any further information that may be of assistance in locating the alleged abducting parent.

To effectuate the purposes of this section, the Attorney General shall, to the extent necessary, utilize the parent locator service in the Department of Health, Education, and Welfare, and, may request and shall receive from departments, boards, bureaus, or other agencies of the state, or any of its political subdivisions, and the same are authorized to provide, such assistance and data as will enable the Justice Department and the local public agencies to carry out their powers and duties to locate such parents and to enforce their liability for the support of their children and to locate and return abducted children and their parents. In addition the district attorneys shall submit to the Attorney General a uniform statistical report each month summarizing case and collection activity in their counties in connection with child support enforcement. The Attorney General shall adopt a uniform report form to be used by the district attorneys in submitting this monthly report. The purpose of this uniform monthly report is to facilitate the analysis of each county's performance in child support activities.

Any records established pursuant to the provisions of this section shall be available only to district attorneys, probation departments, state locator services, the federal parent locator service, and courts having jurisdiction in support, custody, abduction, or abandonment proceedings or actions.

The Department of Justice, in consultation with the Department of Benefit Payments, shall promulgate rules and regulations to facilitate maximum and efficient use of such locator service.

This section shall be construed in a manner consistent with the other provisions of this article.

SEC. 217. Section 14019.3 of the Welfare and Institutions Code, as added by Chapter 672 of the Statutes of 1976, is amended and renumbered to read:

14019.4. Any provider of health care services who obtains a label or copy from the Medi-Cal card or other proof of eligibility pursuant to this chapter shall not seek reimbursement nor attempt to obtain payment for the cost of such covered health care services from the eligible applicant or recipient, or any person other than the department or third party payor who provides a contractual or legal entitlement to health care services.

SEC. 218. Section 14150.9 of the Welfare and Institutions Code is repealed.

SEC. 219. The heading of Chapter 8 (commencing with Section 14500) of Part 3 of Division 9 of the Welfare and Institutions Code is amended and renumbered to read:

CHAPTER 8.5. FAMILY PLANNING

SEC. 220. Section 15053.5 of the Welfare and Institutions Code, as added by Chapter 1619 of the Statutes of 1970, is amended and renumbered to read:

15054. The Director of Finance and the State Controller may approve a plan whereby funds, when appropriated for such purposes, may be transferred from the Social Welfare Federal Fund to the State Department of Education for payment of, or as reimbursement for, services provided pursuant to subdivisions (a), (b), (g), and (h) of Section 16603 and Sections 16616 and 16630.5 of the Education Code.

SEC. 221. The heading of Chapter 2.3 (commencing with Section 16140) of Part 4 of Division 9 of the Welfare and Institutions Code is amended to read:

CHAPTER 2.3. INTERCOUNTRY ADOPTIONS

SEC. 222. Section 18951 of the Welfare and Institutions Code, as added by Chapter 504 of the Statutes of 1976, is amended and renumbered to read:

18950.1. This chapter shall be known as the California Child Abuse Prevention Act of 1974.

SEC. 223. Section 18952 of the Welfare and Institutions Code, as added by Chapter 504 of the Statutes of 1976, is amended and renumbered to read:

18950.2. The provisions of this chapter shall be operative only for and during such times as federal funds are provided or made available for the purposes of such provisions.

SEC. 224. Section 18953 of the Welfare and Institutions Code, as added by Chapter 504 of the Statutes of 1976, is amended and renumbered to read:

18950.3. The provisions of this chapter shall remain in effect only until December 31, 1979, and as of such date is repealed, unless a later enacted statute which is chaptered before December 31, 1979, deletes or extends such date.

SEC. 225. Chapter 1378 of the Statutes of 1965 is repealed.

SEC. 226. Section 22 of Chapter 1036 of the Statutes of 1976 is repealed.

SEC. 227. Section 9 of Chapter 1208 of the Statutes of 1976 is amended to read:

SEC. 9. The sum of seven hundred ninety-six thousand dollars ($796,000) is hereby appropriated from the General Fund to the State Department of Health, in augmentation of subitem (j) of Item 293 of the Budget Act of 1976 (Ch. 320, Stats. 1976), to be expended for the purposes specified in Chapter 1208 of the Statutes of 1976 and to provide additional resources for the Child Health Disability Prevention Program (Art. 3.4 (commencing with Sec. 320) Ch. 2, Pt. 1, Div. 1, H. & S.C.).

SEC. 228. Any section of any act enacted by the Legislature during the 1977 portion of the 1977–78 Regular Session, which takes effect on or before January 1, 1978, and which amends, amends and renumbers, or repeals a section amended, amended and renumbered, or repealed by this act, shall prevail over this act, whether such act is enacted prior or subsequent to this act.

CHAPTER 580

An act to amend Section 76003 of the Government Code, relating to jurors.

[Approved by Governor September 3, 1977 Filed with Secretary of State September 3, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 76003 of the Government Code is amended to read:

76003. In a county of the third class the fees of the grand jurors shall be not less than ten dollars ($10) and not more than twenty-five dollars ($25), as determined by the county board of supervisors, for each day's attendance and mileage at the rate of ten cents ($0.10) a mile necessarily traveled in attending court, in going and returning, unless otherwise determined at a higher amount by the county board of supervisors.

The board of supervisors shall establish the fees of trial jurors in the superior and municipal courts and the amount to be allowed for reimbursement of expenses including transportation necessarily incurred in attending court; provided, that such fee shall not be less than five dollars ($5) for each day's attendance and that the amount allowed for reimbursement of expenses shall not be less than an amount equal to fifteen cents ($0.15) a mile, one way. In criminal cases fees and reimbursement for expenses of trial jurors in the superior and municipal courtsshall be paid by the treasurer of the county out of the general fund of the county upon warrants drawn by the county auditor upon the written order of the judge of the court in which the juror was in attendance, and the treasurer of the county shall pay the warrants.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because this act is in accordance with the request of a local government entity or entities which desired legislative authority to act to carry out the program specified in this act.

CHAPTER 581

An act to amend Section 8558 of the Government Code, relating to the Emergency Services Act.

[Approved by Governor September 3, 1977. Filed with Secretary of State September 3, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 8558 of the Government Code is amended to read:

8558. Three conditions or degrees of emergency are established by this chapter:

(a) "State of war emergency" means the condition which exists immediately, with or without a proclamation thereof by the Governor, whenever this state or nation is attacked by an enemy of the United States, or upon receipt by the state of a warning from the federal government indicating that such an enemy attack is probable or imminent.

(b) "State of emergency" means the duly proclaimed existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by such conditions as air pollution, fire, flood, storm, epidemic, riot, drought, sudden and severe energy shortage, or earthquake or other conditions, other than conditions resulting from a labor controversy or conditions causing a "state of war emergency," which conditions, by reason of their magnitude, are or are likely to be beyond the control of the services, personnel, equipment, and facilities of any single county, city and county, or city and require the combined forces of a mutual aid region or regions to combat, or with respect to regulated energy utilities, a sudden and severe energy shortage requires extraordinary measures beyond the authority vested in the California Public Utilities Commission.

(c) "Local emergency" means the duly proclaimed existence of conditions of disaster or of extreme peril to the safety of persons and property within the territorial limits of a county, city and county, or city, caused by such conditions as air pollution, fire, flood, storm, epidemic, riot, drought, sudden and severe energy shortage, or earthquake or other conditions, other than conditions resulting from a labor controversy, which conditions are or are likely to be beyond the control of the services, personnel, equipment, and facilities of that political subdivision and require the combined forces of other political subdivisions to combat, or with respect to regulated energy utilities, a sudden and severe energy shortage requires extraordinary measures beyond the authority vested in the California Public Utilities Commission.

CHAPTER 582

An act to amend Sections 16525, 16526, 16527, 16528, 16530, and 16614 of the Government Code, relating to security for deposits.

[Approved by Governor September 3, 1977 Filed with Secretary of State September 3, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 16525 of the Government Code is amended to read:

16525. In lieu of deposits of securities, any otherwise eligible bank may deposit with the Treasurer bonds of admitted surety insurers as security for demand and time deposits.

SEC. 2. Section 16526 of the Government Code is amended to read:

16526. An admitted surety insurer is not eligible as surety for demand or time deposits in any one bank in amounts in excess of 10 percent of the capital and surplus of the surety as shown in the preceding report issued by the United States Treasury Department.

SEC. 3. Section 16527 of the Government Code is amended to read:

16527. On demand of the Treasurer, the Insurance Commissioner shall issue a certificate showing the qualifications of any admitted surety insurer as surety for demand or time deposits.

SEC. 4. Section 16528 of the Government Code is amended to read:

16528. The bond of an admitted surety insurer shall not be accepted as security for demand or time deposits unless it has been certified by the Insurance Commissioner as meeting the requirements of this chapter and unless it also holds a certificate of authority from the United States Treasury Department under which it is eligible as surety on federal bonds.

SEC. 5. Section 16530 of the Government Code is amended to read:

16530. A surety upon any bond to secure demand or time deposits may terminate the bond as to future liability by giving 10 days' written notice of termination to the Treasurer. Such notice of termination shall not affect any liability accruing prior to the expiration of the 10-day period.

Within 10 days after receipt of such a notice of termination, the Treasurer shall require other acceptable security or withdraw the deposits secured by the bond to be terminated.

SEC. 6. Section 16614 of the Government Code is amended to read:

16614. In lieu of deposits of securities, any otherwise eligible savings and loan association may deposit with the Treasurer bonds of admitted surety insurers as security for demand and time deposits.

CHAPTER 583

An act to add Section 31676.98 to the Government Code, relating to the County Employees Retirement Law of 1937, and declaring the urgency thereof, to take effect immediately.

[Became law without Governor's signature September 4, 1977 Filed with Secretary of State September 5, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 31676.98 is added to the Government Code, to read:

31676.98. Any county under the provisions of Section 31676.1, on the effective date of this section, whose retired employees were not included in the benefits of Section 31676.1 on the date the county or district adopted the provisions of Section 31676.1, may now include under Section 31676.1 all retirees who retired during the period of time from the establishment of such retirement system and the date such county or district passed a resolution bringing the county or district under the provisions of Section 31676.1, subject to the following conditions:

(a) The benefits of this section shall not apply to any beneficiary or successor in interest of any deceased member and shall apply only to the living retired members on the date such section is adopted by resolution of the county or district.

(b) No increases, cost of living adjustments or grants to such retired members shall be considered in the calculations of the retirement allowance, and only such pensions received by the retired members, computed at the date of the original retirement of the members shall be used in the computation of any such benefits. All living retired members shall have their benefits computed as general members. Calculations shall be made on the basis of current interest rates and mortality tables.

(c) This section shall not decrease any such pension or retirement allowance, nor shall this section give any such retired members or their beneficiary or successor in interest, any claim against the county or district for any increases in pension or retirement allowance paid or payable for the time prior to the effective date of this section.

(d) This section shall not apply to any retirement system established under the provisions of this chapter, nor to the members or retired members of such system unless and until the governing board of the county or district, adopts by majority vote, a resolution providing that this section shall become applicable in such county or district. Upon adoption the effective date shall be the first of the month following such date of adoption.

A county or district upon the adoption of the benefits prescribed by this section shall determine and shall prescribe increases in

employer or member rates of contribution or make such other adjustments as it deems appropriate to fully fund such benefits on a sound actuarial basis.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Because of the early date these counties established their systems, these retired employees have reached a very advanced age and are rapidly passing away. In a short span of time they all will have expired. It is of the utmost urgency that these older persons be granted a benefit now to provide them with a small measure of added comfort.

CHAPTER 584

An act to amend Section 74001 of the Government Code, relating to courts.

[Became law without Governor's signature September 5, 1977. Filed with Secretary of State September 5, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 74001 of the Government Code is amended to read:

74001. There shall be the following number of judges: in the North Orange County Municipal Court, 10, and on July 1, 1978, 11; in the Central Orange County Municipal Court, 12, and on January 1, 1978, 13; in the West Orange County Municipal Court, nine; in the Orange County Harbor Municipal Court, six; and in the South Orange County Municipal Court, three.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because this act is in accordance with the request of a local governmental entity or entities which desire legislative authority to act to carry out the program specified in this act.

CHAPTER 585

An act to amend Section 4213 of the Civil Code, relating to marriage.

[Became law without Governor's signature September 5, 1977 Filed with Secretary of State September 5, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 4213 of the Civil Code is amended to read:

4213. When unmarried persons, not minors, have been living together as man and wife, they may, without a license, be married by any person authorized to solemnize a marriage under Sections 4205, 4205.1, and 4205.5, without the necessity of first obtaining health certificates. A certificate of marriage shall be filled out by the parties to the marriage and authenticated by the clergyman or other person performing the ceremony. The certificate shall be filed by the clergyman or other person performing the ceremony with the office of the county clerk in the county in which the ceremony was performed within four days after the performance of the ceremony. The county clerk shall maintain this certificate as a permanent record which shall not be open to public inspection except upon order of the superior court issued upon a showing of good cause.

The form of the certificate of marriage shall be prescribed by the State Department of Health. The form shall be furnished to any clergyman or other person performing the ceremony by the county clerk without charge.

The total number of marriage certificates filed pursuant to this section shall be reported on a periodic basis to the department on forms prescribed and furnished by it.

CHAPTER 586

An act to amend Sections 72640, 72645, 72646, 72702, 72702.5, 72703, 72704, 72704.5, 72708.5, 72750.5, 72751, 72751.1, 72751.5, 72752, 72753, and 72754 of the Government Code, relating to courts.

[Became law without Governor's signature September 5, 1977.
Filed with Secretary of State September 5, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 72640 of the Government Code is amended to read:

72640. There shall be one marshal for all municipal courts established in judicial districts in Los Angeles County, who shall be appointed pursuant to this article and who shall receive the monthly compensation specified in Schedule 76D.

SEC. 1.3. Section 72645 of the Government Code is amended to read:

72645. The marshal shall appoint:

(a) One assistant marshal who shall receive the monthly compensation specified in Schedule 72D.

Upon the occurrence of a vacancy, any succeeding appointment to this position may be made by the marshal at his sole discretion. At

such time and thereafter, the provisions of Section 72649 shall not be applicable to the appointment to nor removal of a person from this position, but all other provisions of Section 72649 shall be effective. The marshal shall make such appointment from the peace officer members of his office of the rank of lieutenant or higher and the appointee shall serve solely at the pleasure of the marshal. Upon removal by the marshal for any reason other than that which would be cause for the discharge of any other member, an appointee shall revert to the rank held by him prior to his appointment to the position of assistant marshal.

(b) Three inspectors, each of whom shall receive monthly compensation as provided in Schedule 66D.

(c) Ten captains, each of whom shall receive monthly compensation as provided in Schedule 60D.

(d) Thirty lieutenants, each of whom shall receive monthly compensation as provided in Schedule 55B.

(e) Forty sergeants, each of whom shall receive monthly compensation as provided in Schedule 48J.

(f) Fifty-four deputy marshals IV, each of whom shall receive monthly compensation as provided in Schedule 42G.

(g) One hundred twelve deputy marshals III, each of whom shall receive monthly compensation as provided in Schedule 40G.

(h) Two hundred seventy-six deputy marshals II, each of whom shall receive monthly compensation as provided in Schedule 38F, and who shall have completed one full year of service and possess a P.O.S.T. specialized basic certificate.

(i) Forty-nine deputy marshals I, each of whom shall receive monthly compensation as provided in Schedule 36F. Appointments to such positions shall be made from civil service lists resulting from open competitive examinations, provided that notwithstanding the provisions of Section 72649, such deputies shall be subject to a 12-month period of probation.

(j) Thirty deputy marshal-matrons, each of whom shall receive monthly compensation as provided in Schedule 30L, and who shall have completed a course of training which meets the requirements of the P.O.S.T. Commission for a specialized law enforcement basic certificate.

SEC. 1.5. Section 72646 of the Government Code is amended to read:

72646. The marshal shall appoint:

(a) One head, administrative services, marshal, who shall receive compensation as provided in Schedule 51D.

(b) One senior staff assistant, marshal, who shall receive compensation as provided in Schedule 44D.

(c) One administrative secretary, marshal, who shall receive monthly compensation as provided in Schedule 33J. Appointment to said position shall be at step 3 of said schedule.

(d) Two staff assistants, marshal, each of whom shall receive compensation as provided in Schedule 34F.

(e) One senior stenographic secretary who shall receive monthly compensation as provided in Schedule 32J.

(f) Two principal clerks, each of whom shall receive monthly compensation as provided in Schedule 31F.

(g) One supply and reproduction supervisor who shall receive monthly compensation as provided in Schedule 30J.

(h) Two intermediate stenographic secretaries, each of whom shall receive monthly compensation as provided in Schedule 27J.

(i) Ten administrative clerks, each of whom shall receive monthly compensation as provided in Schedule 27B.

(j) Thirty deputy clerk-custody officers, each of whom shall receive monthly compensation as provided in Schedule 26B.

(k) One senior payroll clerk, marshal, who shall receive monthly compensation as provided in Schedule 26B.

(*l*) One supply and reproduction assistant who shall receive monthly compensation as provided in Schedule 24J.

(m) Fifty-nine deputy clerks, grade III, each of whom shall receive monthly compensation as provided in Schedule 23C.

(n) Three stenographic secretaries, each of whom shall receive monthly compensation as provided in Schedule 21J.

(o) Ninety deputy clerks, grade II, each of whom shall receive monthly compensation as provided in Schedule 17D.

(p) Twenty-five deputy clerks, grade I, each of whom shall receive monthly compensation as provided in Schedule 12A. Appointments to such positions shall be at step 4 of such schedule.

(q) Such deputies who shall be keepers, as may be reasonably required pursuant to law, at the fee allowed by law for keeping property.

SEC. 1.8. Section 72702 of the Government Code is amended to read:

72702. There shall be one clerk who shall be appointed by the judges of the court and who shall receive a monthly salary at a rate specified in Schedule 69H of the salary schedule. Notwithstanding any other provisions of law, whenever any vacancy occurs, the judges shall appoint one clerk who shall hold office at their pleasure and who shall receive the salary hereinabove provided.

SEC. 2. Section 72702.5 of the Government Code is amended to read:

72702.5. The clerk may appoint one chief deputy clerk who shall receive a monthly salary at a rate specified in Schedule 59F of the salary schedule.

SEC. 3. Section 72703 of the Government Code is amended to read:

72703. The clerk may appoint:

(a) One deputy clerk who shall be chief, traffic division, and who shall receive a monthly salary at a rate specified in Schedule 52F.

(b) One deputy clerk who shall be chief, civil division, and who shall receive a monthly salary at a rate specified in Schedule 52F.

(c) One deputy clerk who shall be chief, criminal division, and

who shall receive a monthly salary at a rate specified in Schedule 52F.

(d) One deputy clerk who shall be chief, data-processing division, and who shall receive a monthly salary at a rate specified in Schedule 52F.

(e) One deputy clerk who shall be chief, accounting division, and who shall receive a monthly salary at a rate specified in Schedule 50F.

(f) Three deputy clerks, assistant division chiefs, each of whom shall receive a monthly salary at a rate specified in Schedule 47F.

(g) One deputy clerk who shall be chief, administrative services, and who shall receive a monthly salary at a rate specified in Schedule 52F.

(h) One deputy clerk who shall be special assistant to the administrative officer, and who shall receive a monthly salary at a rate specified in Schedule 52F.

(i) One deputy clerk, who shall be criminal courts coordinator, and who shall receive a monthly salary at a rate specified in Schedule 39F.

(j) Six deputy clerks, principal clerk, each of whom shall receive a monthly salary at a rate specified in Schedule 43G.

(k) One deputy clerk who shall be special assistant to the chief, accounting division, and who shall receive a monthly salary at a rate specified in Schedule 41B.

The value, in dollars, of each monthly salary herein shall be at the rates indicated opposite the respective schedule number in the salary schedule.

SEC. 4. Section 72704 of the Government Code is amended to read:

72704. The clerk may also appoint:

(a) Five deputy clerks grade V, each of whom shall receive a monthly salary at a rate specified in Schedule 43G.

(b) Ninety-five deputy clerks grade IV, plus one additional such deputy clerk for each judge in excess of 64 and each commissioner or traffic referee in excess of 18 to which the court is or may become entitled by law, each of whom shall receive a monthly salary at a rate specified in Schedule 39F.

(c) One deputy clerk, executive secretary, presiding judge, who shall receive a monthly salary at a rate specified in Schedule 37J. Appointments to said position shall be at step 3 of said schedule.

(d) One deputy clerk, administrative secretary, clerk, who shall receive a monthly salary at a rate specified in Schedule 33J. Appointments to said position shall be at step 3 of said schedule.

(e) Fifteen deputy clerks, judicial secretary, each of whom shall receive a monthly salary at a rate specified in Schedule 27J. Appointments to said positions shall be at step 3 of said schedule.

(f) Seventy-five deputy clerks grade III, each of whom shall receive a monthly salary at a rate specified in Schedule 23C.

(g) Five deputy clerks, supervising clerk, each of whom shall receive a monthly salary at a rate specified in Schedule 28F.

(h) One hundred forty-five deputy clerks grade II, each of whom

shall receive a monthly salary at a rate specified in Schedule 17D.

(i) One hundred fifty-five deputy clerks grade I, each of whom shall receive a monthly salary at a rate specified in Schedule 14A. Appointments to such positions shall be at step 3 of the schedule.

The value, in dollars, of each monthly salary herein shall be at the rates indicated opposite the respective schedule number in the salary schedule.

SEC. 5. Section 72704.5 of the Government Code is amended to read:

72704.5. The clerk may also appoint the following deputy clerks as needed:

(a) One computer operations supervisor, who shall receive a monthly salary 10 schedules more than the schedule specified for supervising computer operators.

(b) One data conversion supervisor, who shall receive a monthly salary at a rate specified in Schedule 35H.

(c) Three supervising keypunch operators, each of whom shall receive a monthly salary at a rate specified in Schedule 26C.

(d) Twelve senior keypunch operators, each of whom shall receive a monthly salary at a rate specified in Schedule 22G.

(e) Seventy-five keypunch operators, each of whom shall receive a monthly salary at a rate specified in Schedule 18G.

(f) One EDP data systems analyst who shall receive a monthly salary at a rate specified in Schedule 42L.

(g) One EDP staff aide who shall receive a monthly salary at a rate specified in Schedule 27A.

(h) Six supervising computer operators, each of whom shall receive a monthly salary at a rate specified in Schedule 36L.

(i) Six computer systems operators, each of whom shall receive a monthly salary at a rate specified in Schedule 30K.

(j) Six computer equipment operators, each of whom shall receive a monthly salary at a rate specified in Schedule 25C.

(k) One senior data control clerk, who shall receive a monthly salary at the rate specified in Schedule 22A.

(*l*) Two data control clerks, each of whom shall receive a monthly salary at the rate specified in Schedule 18A.

On the effective date of any amendment to the salary ordinance of Los Angeles County adjusting the salary of any position having the same classification as a court position listed in this section, the salary of such listed court position shall be adjusted an equivalent number of schedules in the salary schedule to which it is attached. If the level of compensation established by any such salary adjustment is not reflected in the salary schedule number provided for any court classification, the adjustment shall apply to each position in such classification on the effective date of the act fixing such salary schedule number. Such salary adjustments shall be on an interim basis and shall expire January 1 of the second calendar year following such adjustments, unless ratified by the Legislature.

Persons occupying positions listed in this section shall be entitled

to all employee benefits that are provided for or made applicable to a Los Angeles County employee having an equal period of service.

SEC. 6. Section 72708.5 of the Government Code is amended to read:

72708.5. The judges of the court may appoint as many interpreters, not exceeding four, and as many law clerks, not exceeding five, as the business of the court may require. Employees appointed pursuant to this section shall hold office at the pleasure of the judges and shall receive the same compensation as is paid to the respective class of employees in the Superior Court of Los Angeles County. They shall be members of any retirement system which includes attachés of the court.

SEC. 7. Section 72750.5 of the Government Code is amended to read:

72750.5. In each municipal court district having seven judges authorized by law the officers and attachés shall be appointed and compensated as follows:

There shall be one clerk-administrative officer appointed by the judges of the court, who shall receive a monthly salary at a rate specified in Schedule 57F.

The clerk may appoint:

(a) Eleven deputy clerks grade I, each of whom shall receive a monthly salary at a rate specified in Schedule 14A. Appointment to said positions shall be at step 3 of said schedule.

(b) Thirteen deputy clerks grade II, each of whom shall receive a monthly salary at a rate specified in Schedule 17D.

(c) Nine deputy clerks grade III, each of whom shall receive a monthly salary at a rate specified in Schedule 23C.

(d) Nine deputy clerks grade IV, plus one additional such deputy clerk for each commissioner or traffic referee appointed pursuant to Section 72400 or 72757, each of whom shall receive a monthly salary at a rate specified in Schedule 39F.

(e) One deputy clerk, judicial secretary, who shall receive a monthly salary at a rate specified in Schedule 27J. Appointment to such position shall be at step 3 of such schedule.

(f) One chief clerk—administrative services, who shall receive a monthly salary at a rate specified in Schedule 44F.

(g) One jury secretary who shall receive a monthly salary at a rate specified in Schedule 44F.

(h) One chief clerk—civil, who shall receive a monthly salary at a rate specified in Schedule 44F.

(i) One chief clerk—criminal, who shall receive a monthly salary at a rate specified in Schedule 44F.

(j) One chief clerk—traffic, who shall receive a monthly salary at a rate specified in Schedule 44F.

(k) One occupant of chief clerk position as set forth in this section shall be designated by the clerk-administrative officer as assistant clerk and shall receive a monthly salary eight schedules less than the schedule specified for the clerk-administrative officer of said court.

SEC. 8. Section 72751 of the Government Code is amended to read:

72751. In each municipal court district having six judges authorized by law the officers and attachés shall be appointed and compensated as follows:

There shall be one clerk-administrative officer appointed by the judges of the court, who shall receive a monthly salary at a rate specified in Schedule 55F.

The clerk may appoint:

(a) Ten deputy clerks grade I, each of whom shall receive a monthly salary at a rate specified in Schedule 14A. Appointment to said positions shall be at step 3 of said schedule.

(b) Twelve deputy clerks grade II each of whom shall receive a monthly salary at a rate specified in Schedule 17D.

(c) Nine deputy clerks grade III, each of whom shall receive a monthly salary at a rate specified in Schedule 23C.

(d) Eight deputy clerks grade IV, plus one additional such deputy clerk for each commissioner or traffic referee appointed pursuant to Section 72400 or 72757, each of whom shall receive a monthly salary at a rate specified in Schedule 39F.

(e) One chief deputy clerk who shall receive a monthly salary eight schedules less than the schedule specified for the clerk-administrative officer of said court.

SEC. 9. Section 72751.1 of the Government Code is amended to read:

72751.1. In each municipal court district having five judges authorized by law the officers and attachés shall be appointed and compensated as follows:

There shall be one clerk-administrative officer appointed by the judges of the court, who shall receive a monthly salary at a rate specified in Schedule 54F.

The clerk may appoint:

(a) Nine deputy clerks grade I, each of whom shall receive a monthly salary at a rate specified in Schedule 14A. Appointments to said positions shall be at step 3 of said schedule.

(b) Eleven deputy clerks grade II, each of whom shall receive a monthly salary at a rate specified in Schedule 17D.

(c) Nine deputy clerks grade III, each of whom shall receive a monthly salary at a rate specified in Schedule 23C.

(d) Seven deputy clerks grade IV, plus one additional such deputy clerk for each commissioner or traffic referee appointed pursuant to Section 72400 or 72757, each of whom shall receive a monthly salary at a rate specified in Schedule 39F.

(e) One chief deputy clerk who shall receive a monthly salary eight schedules less than the schedule specified for the clerk-administrative officer of said court.

SEC. 10. Section 72751.5 of the Government Code is amended to read:

72751.5. In each municipal court district having four judges

authorized by law the officers and attachés shall be appointed and compensated as follows:

There shall be one clerk-administrative officer appointed by the judges of the court, who shall receive a monthly salary at a rate specified in Schedule 54F.

The clerk may appoint:

(a) Nine deputy clerks grade I, each of whom shall receive a monthly salary at a rate specified in Schedule 14A. Appointments to said positions shall be at step 3 of said schedule.

(b) Eleven deputy clerks grade II, each of whom shall receive a monthly salary at a rate specified in Schedule 17D.

(c) Nine deputy clerks grade III, each of whom shall receive a monthly salary at a rate specified in Schedule 23C.

(d) Six deputy clerks grade IV, plus one additional such deputy clerk for each commissioner or traffic referee appointed pursuant to Section 72400 or 72757, each of whom shall receive a monthly salary at a rate specified in Schedule 39F.

(e) One chief deputy clerk who shall receive a monthly salary eight schedules less than the schedule specified for the clerk-administrative officer of said court.

SEC. 11. Section 72752 of the Government Code is amended to read:

72752. In each municipal court district having three judges authorized by law the officers and attachés shall be appointed and compensated as follows:

There shall be one clerk-administrative officer appointed by the judges of the court, who shall receive a monthly salary at a rate specified in Schedule 53F.

The clerk may appoint:

(a) Nine deputy clerks grade I, each of whom shall receive a monthly salary at a rate specified in Schedule 14A. Appointments to said positions shall be at step 3 of said schedule.

(b) Eleven deputy clerks grade II, each of whom shall receive a monthly salary at a rate specified in Schedule 17D.

(c) Nine deputy clerks grade III, each of whom shall receive a monthly salary at a rate specified in Schedule 23C.

(d) Five deputy clerks grade IV, plus one additional such deputy clerk for each commissioner or traffic referee appointed pursuant to Section 72400 or 72757, each of whom shall receive a monthly salary at a rate specified in Schedule 39F.

(e) One chief deputy clerk who shall receive a monthly salary eight schedules less than the schedule specified for the clerk-administrative officer of said court.

SEC. 12. Section 72753 of the Government Code is amended to read:

72753. In each municipal court district having two judges authorized by law the officers and attachés shall be appointed and compensated as follows:

There shall be one clerk-administrative officer appointed by the

judges of the court, who shall receive a monthly salary at a rate specified in Schedule 53F.

The clerk may appoint:

(a) Six deputy clerks grade I, each of whom shall receive a monthly salary at a rate specified in Schedule 14A. Appointments to said positions shall be at step 3 of said schedule.

(b) Eight deputy clerks grade II, each of whom shall receive a monthly salary at a rate specified in Schedule 17D.

(c) Six deputy clerks grade III, each of whom shall receive a monthly salary at a rate specified in Schedule 23C.

(d) Three deputy clerks grade IV, plus one additional such deputy clerk for each commissioner appointed pursuant to Section 72757, each of whom shall receive a monthly salary at a rate specified in Schedule 39F.

(e) One chief deputy clerk who shall receive a monthly salary eight schedules less than the schedule specified for the clerk-administrative officer of said court.

SEC. 13. Section 72754 of the Government Code is amended to read:

72754. In each municipal court district having one judge authorized by law the officers and attachés shall be appointed and compensated as follows:

There shall be one clerk-administrative officer appointed by the judge of the court, who shall receive a monthly salary at a rate specified in Schedule 51F.

The clerk may appoint:

(a) Two deputy clerks grade I, each of whom shall receive a monthly salary at a rate specified in Schedule 14A. Appointments to said positions shall be at step 3 of said schedule.

(b) Three deputy clerks grade II, each of whom shall receive a monthly salary at a rate specified in Schedule 17D.

(c) Two deputy clerks grade III, each of whom shall receive a monthly salary at a rate specified in Schedule 23C.

(d) Two deputy clerks grade IV, plus one additional such deputy clerk for each commissioner appointed pursuant to Section 72757, each of whom shall receive a monthly salary at a rate specified in Schedule 39F; provided, however, that one of such deputy clerks grade IV whose regular duties shall include the supervision of clerical personnel shall, for the duration of such assignment, receive compensation at the rate of the next higher numbered salary schedule which will increase his basic compensation by one step.

SEC. 14. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because this act is in accordance with the request of a local governmental entity or entities which desired legislative authority to act to carry out the program specified in this act.

CHAPTER 587

An act to amend Section 4511 of, and to add Section 4511.2 to, the Business and Professions Code, relating to psychiatric technicians, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 5, 1977. Filed with Secretary of State September 5, 1977.]

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds a need to increase the psychiatric technician staff in the state hospital system as rapidly as possible. The Legislature further finds it imperative that such staff be well trained. The Legislature therefore intends to establish a program, through the Board of Governors of the California Community Colleges, to provide credit to persons entering psychiatric technician training with previous relevant training or experience in order to train competent psychiatric technicians in a short period of time.

SEC. 2. Section 4511 of the Business and Professions Code is amended to read:

4511. An applicant for a psychiatric technician's license shall have the following qualifications:

(a) Be at least 18 years of age.

(b) Have successfully completed an approved general education course of study through the 12th grade or the equivalent thereof as determined by the board.

(c) Have successfully completed (1) a prescribed course of study and training of at least 12 months in length in a school accredited by the board, which course of study and training shall combine the nursing knowledge and skills necessary for the care of any ill person and in addition those special skills necessary for the care of the mentally disabled or the developmentally disabled, or (2) a course of study and training which, together with previously acquired training or experience, is determined by a school accredited by the board to be equivalent in academic credits to its regular program for psychiatric technician training, or (3) have completed a course of study and training which in the opinion of the board is equivalent to the minimum requirements of an accredited program for psychiatric technicians in the state. Clinical inpatient experience shall be an integral part of any such prescribed or equivalent course of study and training. Such experience shall be obtained in a state hospital, except where the board finds that such requirement is not feasible due either to the distance of a state hospital from the school, or the unavailability, as determined by the State Department of Health, of state hospital clinical training placements.

(d) Have committed no act which, if committed by a licensed

psychiatric technician, would be ground for disciplinary action.

SEC. 3. Section 4511.2 is added to the Business and Professions Code, to read:

4511.2. Schools accredited by the board for the training of psychiatric technicians shall establish assessment procedures for the purpose of evaluating the training and experience possessed by persons seeking enrollment in their psychiatric technician training program. The schools shall:

(a) Grant academic credit toward the completion of a psychiatric technician training program for relevant training and experience in health care, and

(b) Make additional courses available to students who have been given credit for previous training or experience. The courses shall be provided so that only those additional courses specified as needed by the assessment center need be taken by the student and so that such courses can be taken in as short a time as feasible.

SEC. 4. The sum of one hundred seventy-five thousand dollars ($175,000) is appropriated from the General Fund to the Board of Governors of the California Community Colleges for expenditures in fiscal year 1977–1978 for the purpose of expanding psychiatric technician training programs at public institutes including community colleges and vocational education programs, in accordance with Section 4511.2 of the Business and Professions Code. The Board of Governors or its designee shall use and the Board of Vocational Nurse and Psychiatric Technician Examiners shall direct the Psychiatric Technician Advisory Committee established by Section 4505 to assist in the establishment of this program.

It is intended that additional funding for this program in an amount not to exceed a total of one hundred twenty-five thousand dollars ($125,000) be made available in the annual state budgets for 1978–1979 and 1979–1980.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

It is estimated that the number of new psychiatric trainees must be increased this year from 900 to 3,400 to fill vacant positions plus new staff levels proposed for the state hospital system. Therefore, programs must be established immediately.

CHAPTER 588

An act to amend Sections 25997 and 25997.4 of the Health and Safety Code, relating to safety glazing materials.

[Became law without Governor's signature September 6, 1977
Filed with Secretary of State September 6, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 25997 of the Health and Safety Code is amended to read:

25997. As used in this chapter:

(a) "Safety glazing material" means fully tempered glass, laminated glass, wire glass, rigid plastic or any other safety glazing material, provided such safety glazing material shall meet test requirements of the American National Standards Institute Z-97.1-1966 as now established or as it may be amended from time to time, except for labeling requirements included therein.

(b) "Hazardous locations" means, subject to subdivision (c), those installations, glazed or to be glazed, in residential, commercial, and public buildings known as sliding glass door units, including the fixed glass panels which are part of such units, framed or unframed glass doors, including fixed glazed panels immediately adjacent to such doors, storm doors, shower doors, and tub enclosures, whether or not the glazing in such doors, panels or enclosures is transparent. However, any glazed panel in a location which is protected by a guardrail, handrail, or other approved barrier that will prevent human impact from being delivered to the glazed surface shall not be considered a hazardous location.

(c) "Immediately adjacent to" means the first glass panels on either side of the door itself which are not more than 48 inches or less than 18 inches in width and shall not include any glass panel more than 18 inches above the floor level.

SEC. 2. Section 25997.4 of the Health and Safety Code is amended to read:

25997.4. It shall be unlawful within the state to knowingly install, consent, or cause to be installed, glazing materials in any hazardous location other than as permitted by this chapter. When a glazing material is used in a hazardous location, it shall be safety glazing material as defined by subdivision (a) of Section 25997.

CHAPTER 589

An act to amend Sections 73433, 73434, 73435, 73436, and 73437 of the Government Code, relating to courts.

[Became law without Governor's signature September 6, 1977.
Filed with Secretary of State September 6, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 73433 of the Government Code is amended to read:

73433. There shall be one clerk in each municipal court who shall be appointed by and serve at the pleasure of a majority of the judges

of the court to which the clerk is appointed. In a court with less than three judges, the presiding judge shall appoint the clerk of the court. The clerk of the East Kern Municipal Court shall receive the biweekly salary specified in range 37.4 of the salary schedule. The clerk of the West Kern Municipal Court shall receive the biweekly salary specified in range 40.4 of the salary schedule. The salary of the West Kern clerk of the municipal court shall be not less than 9.8 full range steps higher than the salary range in which the position of deputy municipal court clerk IV is compensated.

SEC. 1.5. Section 73434 of the Government Code is amended to read:

73434. There shall be one judicial secretary in the West Kern Municipal Court District who shall be appointed by and serve at the pleasure of a majority of the judges of the court. The judicial secretary shall receive a biweekly salary fixed within a salary range which shall be 1.4 salary ranges lower than the salary range in which the position of deputy municipal court clerk IV is compensated.

SEC. 2. Section 73435 of the Government Code is amended to read:

73435. The clerk of the West Kern Municipal Court may appoint:

(a) Four deputy municipal court clerks IV, who shall act as the supervisors of the civil, criminal, traffic, and accounting divisions of the court and each of whom shall receive the biweekly salary specified in range 30.6 of the salary schedule.

(b) Ten deputy municipal court clerks III, each of whom shall receive the biweekly salary specified in range 28.7 of the salary schedule.

(c) Seven municipal courtroom clerks or junior municipal courtroom clerks, each of whom shall receive the biweekly salary specified in ranges 28.7 and 25.9, respectively, of the salary schedule.

Junior municipal courtroom clerk shall be the entrance position to courtroom clerk. The clerk, with the concurrence of the presiding judge, may advance any junior municipal courtroom clerk to the position of municipal courtroom clerk without further examination, if the junior municipal courtroom clerk has served for six months and otherwise meets the qualifications for municipal courtroom clerk and if the presiding judge is satisfied with the junior municipal courtroom clerk's performance during the six-month period.

(d) One account clerk IV, who shall receive the biweekly salary specified in range 28.2 of the salary schedule.

(e) Fifteen full-time and one part-time deputy municipal court clerks II, each of whom shall receive the biweekly salary specified in range 25.9 of the salary schedule.

(f) One account clerk III who shall receive the biweekly salary specified in range 25.4 of the salary schedule.

(g) Two data entry operators II or I, each of whom shall receive the biweekly salary specified in ranges 23.2 and 21.4, respectively, of the salary schedule. Data entry operator I shall be the entrance position to the data entry operator series. The clerk may advance any

data entry operator I to the position of data entry operator II without further examination if the data entry operator I has served for one year and otherwise meets the qualifications for data entry operator II and if the clerk is satisfied with the data entry operator I's performance during the one-year period.

(h) Sixteen full-time deputy municipal court clerks I or junior deputy municipal court clerks, each of whom shall receive the biweekly salary specified in ranges 21.4 and 18.6, respectively, of the salary schedule.

Junior deputy municipal court clerk shall be the entrance position to the clerk's staff. The clerk may advance any junior deputy municipal court clerk to the position of deputy municipal court clerk I without further examination, if the junior deputy has served for six months and otherwise meets the qualifications for deputy municipal court clerk I and if the clerk is satisfied with the junior deputy's performance during the six-month period.

(i) One municipal court cashier, who shall receive the biweekly salary specified in range 22.7 of the salary schedule.

SEC. 3. Section 73436 of the Government Code is amended to read:

73436. The clerk of the East Kern Municipal Court may appoint:

(a) Three deputy municipal court clerks III, each of whom shall receive the biweekly salary specified in range 28.7 of the salary schedule.

(b) Three deputy municipal court clerks II, each of whom shall receive the biweekly salary specified in range 25.9 of the salary schedule.

(c) Two full-time and one part-time deputy municipal court clerks I, or junior deputy municipal court clerks, each of whom shall receive the biweekly salary specified in ranges 21.4 and 18.6, respectively, of the salary schedule.

Junior deputy municipal court clerk shall be the entrance position to the clerk's staff. The clerk may advance any junior deputy municipal court clerk to the position of deputy municipal court clerk I without further examination, if the junior deputy has served for six months and otherwise meets the qualifications for deputy municipal court clerk I and if the clerk is satisfied with the junior deputy's performance during the six-month period.

SEC. 4. Section 73437 of the Government Code is amended to read:

73437. (a) Whenever reference to a numbered salary range of the salary schedule is made in any section of this article, the schedule of five step levels found in the salary ordinance of the County of Kern in effect on July 1, 1977, shall apply. The clerks and deputy clerks shall be paid biweekly pursuant to the payroll procedures in effect in the County of Kern on such date.

(b) Notwithstanding any other provision of this article:

(1) The minimum salary for each position shall normally be "step A" for the position. If it is difficult to secure qualified personnel at

that step or if a person of unusual qualifications is engaged, the court or the clerk as the case may be, may hire at any step of the salary range applicable to the position.

(2) Any employee who is promoted or whose position is reclassified from one class position to a higher class position shall be placed in the step level of the higher class salary range which most closely approximates a one-step increase from the former position, except that such increase shall not exceed an amount equivalent to 1.4 steps in the salary schedule. In the event the "A" step of the higher class position is greater than a 1.4-step increase over the salary of the employee in the lower class position, the employee shall be placed at the "A" step in the salary range of the higher class position.

(c) Certain positions in the municipal court are comparable to certain positions in the classified civil service of the County of Kern. The comparable positions are, respectively, as follows:

Municipal court classifications	County classifications
Deputy municipal court clerk IV	Superior court clerk II
Deputy municipal court clerk III or municipal courtroom clerk	Superior court clerk I
Deputy municipal court clerk II or junior municipal courtroom clerk ..	Clerk IV
Deputy municipal court clerk I	Typist-clerk II
Junior deputy municipal court clerk..	Typist-clerk I

The salaries paid by the County of Kern to persons holding the positions in the classified service of the County of Kern hereinabove designated are paid in accordance with ordinances of the county adopted under the laws of the state and pursuant to a standardized salary schedule which, with respect to the several steps and ranges incorporated by reference in subdivision (a), is identical to the salary schedule incorporated by reference in subdivision (a). If and when the Board of Supervisors of the County of Kern adjusts the salaries paid to persons holding one or more of the respective positions among the county classifications hereinabove set forth, the salaries paid to persons holding each and every respective comparable position among the municipal court classifications hereinabove set forth shall be adjusted commensurately and in accordance with the provisions of this section. Such adjustment shall be effective the same date as the effective date of the action of the board of supervisors applicable to the respective and comparable county classifications. Any adjustment shall be effective only until January 1 of the second year following the year in which the adjustment is made, unless ratified by the Legislature. No salary adjustment exceeding four full range steps in the respective salaries specified in this article may be made pursuant to this subdivision. In the event any amendment to the standardized salary schedule of Kern County and the steps and ranges incorporated by reference in subdivision (a), impairs or alters the identity now existing between the standardized salary schedule

of Kern County and the steps and ranges incorporated by reference in subdivision (a), the salaries of the comparable positions among the municipal court classifications hereinabove set forth may not thereafter be adjusted pursuant to this subdivision.

(d) In addition to the compensation provided in this article, the attachés of the municipal court shall receive, and they shall be entitled to, the same vacations, sick leaves, and similar privileges and benefits as are now or may hereafter be provided for the employees of the County of Kern, including the right to participate in any group, accident, health or life insurance plan adopted by the Board of Supervisors of the County of Kern.

SEC. 5. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because this act is in accordance with the request of a local governmental entity or entities which desire legislative authority to act to carry out the program specified in this act.

CHAPTER 590

An act to add Section 14679 to the Government Code, and to amend Section 42001.5 of the Vehicle Code, relating to physically handicapped persons.

[Approved by Governor September 6, 1977. Filed with Secretary of State September 7, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 14679 is added to the Government Code, to read:

14679. (a) Any parking facility under the jurisdiction or control of any state agency, which is available to private persons who desire to conduct business with a state agency, shall reserve for the use of physically handicapped persons a minimum of one parking space if the facility contains 100 or fewer spaces and another space for each additional 100 parking spaces or fraction thereof. Additional spaces shall be provided where usage indicates a greater need. Such space or spaces shall be reserved by posting immediately adjacent to and visible from such space or spaces a sign consisting of a profile view of a wheelchair with occupant in white on a blue background.

(b) If no parking facility under the jurisdiction and control of a state agency is available to private persons who desire to conduct business with the state agency, the state agency shall request the local authority having jurisdiction over streets immediately adjacent to the property of the state agency to provide parking spaces for the use of physically handicapped persons pursuant to Section 22511.7 of the Vehicle Code.

(c) As used in this section, "parking facility" means any facility or combination of facilities for parking which contains six or more parking spaces but does not include any facility constructed, altered, structurally repaired, or added to subsequent to the operative date of regulations adopted by the State Architect pursuant to Chapter 7 (commencing with Section 4450), Division 5, Title 1 of this code.

(d) As used in this section, "physically handicapped person" includes any person described in Section 9105 or 22511.5 of the Vehicle Code.

SEC. 2. Section 42001.5 of the Vehicle Code is amended to read:

42001.5. (a) Every person convicted of an infraction for a violation of Section 22700 shall be punished by a fine of not less than fifty dollars ($50).

(b) Every person convicted of an infraction for a violation of Section 22507.8 shall be punished upon a first conviction by a fine of not less than twenty-five dollars ($25).

CHAPTER 591

An act to amend Sections 198, 205, and 602 of the Code of Civil Procedure, relating to jurors.

[Approved by Governor September 6, 1977. Filed with Secretary of State September 7, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 198 of the Code of Civil Procedure is amended to read:

198. A person is competent to act as juror if he be:

1. A citizen of the United States of the age of 18 years who meets the residency requirements of electors of this state;

2. In possession of his natural faculties and of ordinary intelligence and not decrepit, provided that no person shall be deemed incompetent solely because of the loss of sight in any degree;

3. Possessed of sufficient knowledge of the English language.

SEC. 2. Section 205 of the Code of Civil Procedure is amended to read:

205. (a) The selections and listings in each county shall be made at random from the jury eligibility roll specified in Section 204e of persons suitable and competent to serve as jurors, and in making such selections there shall be taken only the names of persons who are not exempt from serving, who are in the possession of their natural faculties, who are not infirm or decrepit, who are of fair character and approved integrity, and who are of sound judgment.

(b) A person shall not be deemed incompetent, infirm or decrepit, and shall not be excluded from the list of prospective jurors, solely because of the loss of sight in any degree.

SEC. 3. Section 602 of the Code of Civil Procedure is amended to read:

602. Challenges for cause may be taken on one or more of the following grounds:

(1) A want of any of the qualifications prescribed by this code to render a person competent as a juror.

(2) The existence of a defect in the visual or auditory functions of the body which satisfies the court that the challenged person is incapable of performing the duties of a juror in the particular action without prejudice to the substantial rights of the challenging party.

(3) Consanguinity or affinity within the fourth degree to any party or to an officer of a corporation which is a party.

(4) Standing in the relation of, or being the parent, spouse, or child of one who stands in the relation of, guardian and ward, master and servant, employer and clerk, or principal and agent, or debtor and creditor, to either party or to an officer of a corporation which is a party, or being a member of the family of either party; or a partner in business with either party; or surety on any bond or obligation for either party, or being the holder of bonds or shares of capital stock of a corporation which is a party; or having stood within one year previous to the filing of the complaint in the action in the relation of attorney and client with either party or with the attorney for either party. A depositor of a bank or a holder of a savings account in a savings and loan association shall not be deemed a creditor of such bank or savings and loan association for the purpose of this subsection solely by reason of his being such a depositor or account holder.

(5) Having served as a juror in a civil action or been a witness on a previous trial between the same parties, for the same cause of action; or having served as a juror within one year previously in any civil action or proceeding in which either party was plaintiff or defendant.

(6) Interest on the part of the juror in the event of the action, or in the main question involved in the action, except his interest as a member or citizen or taxpayer of a county, city and county, incorporated city or town, or other political subdivision of a county, or municipal water district.

(7) Having an unqualified opinion or belief as to the merits of the action founded upon knowledge of its material facts or of some of them.

(8) The existence of a state of mind in the juror evincing enmity against or bias to either party.

(9) That he is a party to an action pending in the court for which he is drawn and which action is set for trial before the panel of which he is a member.

CHAPTER 592

An act to amend Sections 23101, 23102, 23105, and 23106 of the Vehicle Code, relating to public offenses.

[Approved by Governor September 6, 1977 Filed with Secretary of State September 7, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 23101 of the Vehicle Code is amended to read:

23101. (a) It is unlawful for any person, while under the influence of intoxicating liquor, or under the combined influence of intoxicating liquor and any drug, to drive a vehicle upon a highway and when so driving do any act forbidden by law or neglect any duty imposed by law in the driving of such vehicle, which act or neglect proximately causes death or bodily injury to any person other than himself.

(b) It is unlawful for any person, while under the influence of intoxicating liquor, or under the combined influence of intoxicating liquor and any drug, to drive a vehicle other than on a highway and when so driving do any act, or neglect any duty imposed by law, which act or neglect proximately causes death or bodily injury to any person other than himself.

(c) Any person convicted under this section shall be punished by imprisonment in the state prison, or in the county jail for not less than 90 days nor more than one year, and by fine of not less than two hundred fifty dollars ($250) nor more than five thousand dollars ($5,000).

(d) If any person is convicted of an offense under this section within five years of a prior conviction of a violation of Section 23102 or 23105 and is granted probation, it shall be a condition of probation that such person be confined in jail for at least 5 days but not more than one year and pay a fine of at least two hundred fifty dollars ($250) but not more than five thousand dollars ($5,000). If any person is convicted of an offense under this section within five years of a prior conviction of a violation of this section or Section 23106, and is granted probation, it shall be a condition of probation that such person be confined in jail for at least 90 days but not more than one year, and pay a fine of at least two hundred fifty dollars ($250) but not more than five thousand dollars ($5,000).

(e) In no event does the court have the power to absolve a person who is convicted of an offense under this section within five years of a prior conviction of a violation of this section or Section 23102, 23105, or 23106 from the obligation of spending the minimum time in confinement as provided in this section and of paying a fine of at least two hundred fifty dollars ($250), except as provided in subdivision (f).

(f) Except in unusual cases where the interests of justice demand an exception, the court shall not strike a prior conviction of an offense under this section or Section 23102, 23105, or 23106 for purposes of sentencing in order to avoid imposing as part of the sentence or term of probation the minimum time in confinement and the minimum fine, as provided in this section. When such a prior conviction is stricken by the court for purposes of sentencing, the court shall specify the reason or reasons for such striking order. On appeal by the people from such an order striking such a prior conviction, it shall be conclusively presumed that such order was made only for the reasons specified in such order, and such order shall be reversed if there is no substantial basis in the record for any of such reasons.

SEC. 2. Section 23102 of the Vehicle Code is amended to read:

23102. (a) It is unlawful for any person who is under the influence of intoxicating liquor, or under the combined influence of intoxicating liquor and any drug, to drive a vehicle upon any highway.

(b) It is unlawful for any person who is under the influence of intoxicating liquor, or under the combined influence of intoxicating liquor and any drug, to drive a vehicle upon other than a highway.

The department shall not be required to provide patrol or enforce the provisions of this subdivision.

(c) Any person convicted under this section shall be punished upon a first conviction by imprisonment in the county jail for not less than 48 hours nor more than six months or by fine of not less than two hundred fifty dollars ($250) nor more than five hundred dollars ($500) or by both such fine and imprisonment. If, however, any person so convicted consents to, and does participate in and successfully completes, a driver improvement program or treatment program for persons who are habitual users of alcohol, or both such programs, as designated by the court, the court shall punish such person by a fine of not less than one hundred fifty dollars ($150) nor more than five hundred dollars ($500) or by imprisonment in the county jail for not less than 48 hours nor more than six months or by both such fine and imprisonment.

(d) Any person convicted of an offense under this section within five years of a prior conviction of an offense under this section or Section 23105 shall be punished by imprisonment in the county jail for not less than 48 hours nor more than one year and by a fine of not less than two hundred fifty dollars ($250) nor more than one thousand dollars ($1,000). Any person convicted of an offense under this section within five years of a prior conviction of a violation of Section 23101 or 23106 shall be punished by imprisonment in the county jail for not less than five days nor more than one year and by a fine of not less than two hundred fifty dollars ($250) nor more than one thousand dollars ($1,000).

(e) If any person is convicted of an offense under this section within five years of a prior conviction under this section or under

Section 23105 and is granted probation, it shall be a condition of probation that such person be confined in jail for at least 48 hours but not more than one year and pay a fine of at least two hundred fifty dollars ($250) but not more than one thousand dollars ($1,000). If any person is convicted of an offense under this section within five years of a prior conviction under Section 23101 or 23106 and is granted probation, it shall be a condition of probation that such person be confined in jail for not less than five days nor more than one year and by a fine of not less than two hundred fifty dollars ($250) nor more than one thousand dollars ($1,000).

(f) In no event does the court have the power to absolve a person who is convicted of an offense under this section within five years of a prior conviction under this section or Section 23101, 23105, or 23106 from the obligation of spending the minimum time in confinement in the county jail as provided in this section and of paying a fine of at least two hundred fifty dollars ($250), except as provided in subdivision (g).

(g) Except in unusual cases where the interests of justice demand an exception, the court shall not strike a prior conviction of an offense under this section for purposes of sentencing in order to avoid imposing as part of the sentence or term of probation the minimum time in confinement in the county jail and the minimum fine, as provided in this section.

When such a prior conviction is stricken by the court for purposes of sentencing, the court shall specify the reason or reasons for such striking order.

On appeal by the people from such an order striking such a prior conviction it shall be conclusively presumed that such order was made only for the reasons specified in such order and such order shall be reversed if there is no substantial basis in the record for any of such reasons.

(h) The court may order that any person convicted under this section, who is to be punished by imprisonment in jail, be imprisoned on days other than days of regular employment of the person, as determined by the court.

(i) If the person convicted under this section is under the age of 21 years and the vehicle used in any such violation is registered to such person, the vehicle may be impounded at the owner's expense for not less than one day nor more than 30 days.

SEC. 3. Section 23105 of the Vehicle Code is amended to read:

23105. (a) It is unlawful for any person who is under the influence of any drug to drive a vehicle upon any highway.

(b) It is unlawful for any person who is under the influence of any drug to drive a vehicle upon other than a highway.

The department shall not be required to provide patrol or enforce the provisions of this subdivision.

(c) It is unlawful for any person who is addicted to the use of any drug, except such a person who is participating in a methadone maintenance treatment program approved pursuant to Article 3

(commencing with Section 4350) of Chapter 1 of Part 1 of Division 4 of the Welfare and Institutions Code, to drive a vehicle upon any highway.

(d) Any person convicted under this section shall be punished upon a first conviction by imprisonment in the county jail for not less than 48 hours nor more than six months or by fine of not less than two hundred fifty dollars ($250) nor more than five hundred dollars ($500) or by both such fine and imprisonment. If, however, any person so convicted consents to participate, and does participate in and successfully completes, a driver improvement program or a treatment program for persons who are habitual users of drugs, or both such programs, as designated by the court, a court shall punish such person by fine of not less than one hundred fifty dollars ($150) nor more than five hundred dollars ($500) or by imprisonment in the county jail for not less than 48 hours nor more than six months or by both such fine and imprisonment.

(e) Any person convicted of an offense under this section within five years of a prior conviction of an offense under this section or Section 23102 shall be punished by imprisonment in the county jail for not less than 48 hours nor more than one year and by a fine of not less than two hundred fifty dollars ($250) nor more than one thousand dollars ($1,000). Any person convicted of an offense under this section within five years of a prior conviction of a violation of Section 23101 or 23106 shall be punished by imprisonment in the county jail for not less than five days nor more than one year and by a fine of not less than two hundred fifty dollars ($250) nor more than one thousand dollars ($1,000).

(f) If any person is convicted of an offense under this section within five years of a prior conviction under this section or under Section 23102 and is granted probation, it shall be a condition of probation that such person be confined in jail for at least 48 hours but not more than one year and pay a fine of at least two hundred fifty dollars ($250) but not more than one thousand dollars ($1,000). If any person is convicted of an offense under this section within five years of a prior conviction under Section 23101 or 23106 and is granted probation, it shall be a condition of probation that such person be confined in jail for not less than five days nor more than one year and by a fine of not less than two hundred fifty dollars ($250) nor more than one thousand dollars ($1,000).

(g) In no event does the court have the power to absolve a person who is convicted of an offense under this section within five years of a prior conviction under this section or Section 23101, 23102, or 23106 from the obligation of spending the minimum time in confinement in the county jail as provided in this section and of paying a fine of at least two hundred fifty dollars ($250), except as provided in subdivision (h).

(h) Except in unusual cases where the interests of justice demand an exception, the court shall not strike a prior conviction of an offense under this section for purposes of sentencing in order to

avoid imposing as part of the sentence or term of probation the minimum time in confinement in the county jail and the minimum fine, as provided in this section.

When such a prior conviction is stricken by the court for purposes of sentencing, the court shall specify the reason or reasons for such striking order.

On appeal by the people from such an order striking such a prior conviction it shall be conclusively presumed that such order was made only for the reasons specified in such order and such order shall be reversed if there is no substantial basis in the record for any of such reasons.

(i) The court may order that any person convicted under this section, who is to be punished by imprisonment in jail, be imprisoned on days other than days of regular employment of the person, as determined by the court.

(j) If the person convicted under this section is under the age of 21 years and the vehicle used in any such violation is registered to such person, the vehicle may be impounded at the owner's expense for not less than one day nor more than 30 days.

SEC. 4. Section 23106 of the Vehicle Code is amended to read:

23106. (a) It is unlawful for any person, while under the influence of any drug, to drive a vehicle upon a highway and when so driving do any act forbidden by law or neglect any duty imposed by law in the driving of such vehicle, which act or neglect proximately causes death or bodily injury to any person other than himself.

(b) It is unlawful for any person, while under the influence of any drug, to drive a vehicle other than on a highway and when so driving do any act, or neglect any duty imposed by law, which act or neglect proximately causes death or bodily injury to any person other than himself.

(c) Any person convicted under this section shall be punished by imprisonment in the state prison, or in the county jail for not less than 90 days nor more than one year, and by fine of not less than two hundred fifty dollars ($250) nor more than five thousand dollars ($5,000).

(d) If any person is convicted of an offense under this section within five years of a prior conviction under Section 23102 or 23105 and is granted probation, it shall be a condition of probation that such person be confined in jail for at least five days but not more than one year and pay a fine of at least two hundred fifty dollars ($250) but not more than five thousand dollars ($5,000). If any person is convicted of an offense under this section within five years of a prior conviction of a violation of this section or Section 23101 and is granted probation, it shall be a condition of probation that such person be confined in jail for at least 90 days but not more than one year and pay a fine of at least two hundred fifty dollars ($250) but not more than five thousand dollars ($5,000).

(e) In no event does the court have the power to absolve a person

who is convicted of an offense under this section within five years of a prior conviction of a violation of this section or Section 23101, 23102, or 23105 from the obligation of spending the minimum time in confinement as provided in this section and of paying a fine of at least two hundred fifty dollars ($250), except as provided in subdivision (f).

(f) Except in unusual cases where the interests of justice demand an exception, the court shall not strike a prior conviction of an offense under this section or Section 23101, 23102, or 23105 for purposes of sentencing in order to avoid imposing as part of the sentence or term of probation the minimum time in confinement and the minimum fine, as provided in this section. When such a prior conviction is stricken by the court for purposes of sentencing, the court shall specify the reason or reasons for such striking order. On appeal by the people from such an order striking such a prior conviction, it shall be conclusively presumed that such order was made only for the reasons specified in such order, and such order shall be reversed if there is no substantial basis in the record for any of such reasons.

SEC. 5. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local governmental entities and school districts which, in the aggregate, do not result in significant, identifiable cost changes.

CHAPTER 593

An act to amend Sections 68097, 68097.1, 68097.2, 68097.5, 68097.6, 68097.7, 68097.9, and 68097.10 of the Government Code, relating to subpoenaed public employees.

[Approved by Governor September 6, 1977 Filed with Secretary of State September 7, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 68097 of the Government Code is amended to read:

68097. Witnesses in civil cases may demand the payment of their mileage and fees for one day, in advance, and when so demanded shall not be compelled to attend until the allowances are paid except as hereinafter provided for members of the California Highway Patrol, peace officer members of the State Fire Marshal's Office, sheriffs, deputy sheriffs, marshals, deputy marshals, firemen, and city policemen.

For the purposes of this section and Sections 68097.1 through 68097.10, the term "member of the California Highway Patrol" shall include those persons employed as vehicle inspection specialists by the California Highway Patrol.

SEC. 1.5. Section 68097 of the Government Code is amended to read:

68097. Witnesses in civil cases may demand the payment of their mileage and fees for one day, in advance, and when so demanded shall not be compelled to attend until the allowances are paid except as hereinafter provided for employees of the Department of Justice who are peace officers or analysts in technical fields, members of the California Highway Patrol, peace officer members of the State Fire Marshal's Office, sheriffs, deputy sheriffs, marshals, deputy marshals, firemen, and city policemen.

For the purposes of this section and Sections 68097.1 through 68097.10, the term "member of the California Highway Patrol" shall include those persons employed as vehicle inspection specialists by the California Highway Patrol.

SEC. 2. Section 68097.1 of the Government Code is amended to read:

68097.1. Whenever a member of the California Highway Patrol, peace officer member of the State Fire Marshal's Office, sheriff, deputy sheriff, marshal, deputy marshal, fireman or city policeman is required as a witness before any court or other tribunal in any civil action or proceeding in connection with a matter regarding an event or transaction which he has perceived or investigated in the course of his duties, a subpoena requiring his attendance may be served by delivering a copy either to such member personally or to his immediate superior. The attendance of a member of the California Highway Patrol, peace officer member of the State Fire Marshal's Office, sheriff, deputy sheriff, marshal, deputy marshal, fireman or city policeman may be required pursuant to this section only in accordance with the provisions of Section 1989 of the Code of Civil Procedure.

As used in this section and in Sections 68097.2 and 68097.5, "tribunal" means any person or body before whom or which attendance of witnesses may be required by subpoena, including an arbitrator in arbitration proceedings.

SEC. 2.5. Section 68097.1 of the Government Code is amended to read:

68097.1. Whenever an employee of the Department of Justice who is a peace officer or an analyst in a technical field, member of the California Highway Patrol, peace officer member of the State Fire Marshal's Office, sheriff, deputy sheriff, marshal, deputy marshal, fireman or city policeman is required as a witness before any court or other tribunal in any civil action or proceeding in connection with a matter regarding an event or transaction which he has perceived or investigated in the course of his duties, a subpoena requiring his attendance may be served by delivering a copy either

to such member personally or to his immediate superior. The attendance of an employee of the Department of Justice who is a peace officer or an analyst in a technical field, member of the California Highway Patrol, peace officer member of the State Fire Marshal's Office, sheriff, deputy sheriff, marshal, deputy marshal, fireman or city policeman may be required pursuant to this section only in accordance with the provisions of Section 1989 of the Code of Civil Procedure.

As used in this section and in Sections 68097.2 and 68097.5, "tribunal" means any person or body before whom or which attendance of witnesses may be required by subpoena, including an arbitrator in arbitration proceedings.

SEC. 3. Section 68097.2 of the Government Code is amended to read:

68097.2. Any member of the California Highway Patrol, peace officer member of the State Fire Marshal's Office, sheriff, deputy sheriff, marshal, deputy marshal, fireman, or city policeman who is obliged by a subpoena issued pursuant to Section 68097.1 to attend as a witness, shall receive the salary or other compensation to which he is normally entitled from the public entity by which he is employed during the time that he travels to and from the place where the court or other tribunal is located and while he is required to remain at such place pursuant to such subpoena. He shall also receive from the public entity by which he is employed the actual necessary and reasonable traveling expenses incurred by him in complying with such subpoena.

The party at whose request such subpoena is issued shall reimburse the public entity for the full cost to the public entity incurred in paying the officer his salary or other compensation and traveling expenses as provided for in this section, for each day that such officer is required to remain in attendance pursuant to such subpoena. The amount of seventy-five dollars ($75) shall be deposited with the clerk of the court or with the tribunal prior to the issuance of a subpoena pursuant to this section for each day that such officer is required to remain in attendance pursuant to such subpoena.

If the actual expenses should later prove to be less than the amount deposited, the excess of the amount deposited shall be refunded.

If the actual expenses should later prove to be more than the amount deposited, the difference shall be paid to the public entity by the party at whose request the subpoena is issued.

If a court continues a proceeding on its own motion, no additional deposit may be required prior to the issuance of a subpoena or the making of an order directing such officer to appear on the date to which the proceeding is continued.

SEC. 3.5. Section 68097.2 of the Government Code is amended to read:

68097.2. Any employee of the Department of Justice who is a peace officer or an analyst in a technical field, member of the California Highway Patrol, peace officer member of the State Fire

Marshal's Office, sheriff, deputy sheriff, marshal, deputy marshal, fireman, or city policeman who is obliged by a subpoena issued pursuant to Section 68097.1 to attend as a witness, shall receive the salary or other compensation to which he is normally entitled from the public entity by which he is employed during the time that he travels to and from the place where the court or other tribunal is located and while he is required to remain at such place pursuant to such subpoena. He shall also receive from the public entity by which he is employed the actual necessary and reasonable traveling expenses incurred by him in complying with such subpoena.

The party at whose request such subpoena is issued shall reimburse the public entity for the full cost to the public entity incurred in paying the officer his salary or other compensation and traveling expenses as provided for in this section, for each day that such officer is required to remain in attendance pursuant to such subpoena. The amount of seventy-five dollars ($75) shall be deposited with the clerk of the court or with the tribunal prior to the issuance of a subpoena pursuant to this section for each day that such officer is required to remain in attendance pursuant to such subpoena.

If the actual expenses should later prove to be less than the amount deposited, the excess of the amount deposited shall be refunded.

If the actual expenses should later prove to be more than the amount deposited, the difference shall be paid to the public entity by the party at whose request the subpoena is issued.

If a court continues a proceeding on its own motion, no additional deposit may be required prior to the issuance of a subpoena or the making of an order directing such officer to appear on the date to which the proceeding is continued.

SEC. 4. Section 68097.5 of the Government Code is amended to read:

68097.5. No member of the California Highway Patrol, peace officer member of the State Fire Marshal's Office, sheriff, deputy sheriff, marshal, deputy marshal, fireman or city policeman shall be ordered to return by the court for subsequent proceedings beyond the day stated in the subpoena referred to in Sections 68097.1, 68097.2, 68097.3 and 68097.4, or the day upon which such witness appeared pursuant to the provisions of Section 68097.9, unless the party at whose request such subpoena was issued or the party at whose request the witness is ordered to return, shall first deposit with the clerk of the court or with the tribunal the same sum required to be deposited for the issuance of a subpoena in the first instance.

SEC. 4.5. Section 68097.5 of the Government Code is amended to read:

68097.5. No employee of the Department of Justice who is a peace officer or an analyst in a technical field, member of the California Highway Patrol, peace officer member of the State Fire Marshal's Office, sheriff, deputy sheriff, marshal, deputy marshal, fireman or city policeman shall be ordered to return by the court for subsequent proceedings beyond the day stated in the subpoena

referred to in Sections 68097.1, 68097.2, 68097.3 and 68097.4, or the day upon which such witness appeared pursuant to the provisions of Section 68097.9, unless the party at whose request such subpoena was issued or the party at whose request the witness is ordered to return, shall first deposit with the clerk of the court or with the tribunal the same sum required to be deposited for the issuance of a subpoena in the first instance.

SEC. 5. Section 68097.6 of the Government Code is amended to read:

68097.6. The provisions of Sections 68097.1, 68097.2, 68097.3, 68097.4 and 68097.5 of this code shall be applicable to subpoenas issued for the taking of depositions of members of the California Highway Patrol, peace officer members of the State Fire Marshal's Office, sheriffs, deputy sheriffs, marshals, deputy marshals, firemen or city policemen pursuant to Section 2019 of the Code of Civil Procedure.

SEC. 5.5. Section 68097.6 of the Government Code is amended to read:

68097.6. The provisions of Sections 68097.1, 68097.2, 68097.3, 68097.4 and 68097.5 of this code shall be applicable to subpoenas issued for the taking of depositions of employees of the Department of Justice who are peace officers or analysts in technical fields, members of the California Highway Patrol, peace officer members of the State Fire Marshal's Office, sheriffs, deputy sheriffs, marshals, deputy marshals, firemen or city policemen pursuant to Section 2019 of the Code of Civil Procedure.

SEC. 6. Section 68097.7 of the Government Code is amended to read:

68097.7. Any person who pays or offers to pay any money or other form of consideration for the services of any member of the California Highway Patrol, peace officer member of the State Fire Marshal's Office, sheriff, deputy sheriff, marshal, deputy marshal, fireman or city policeman as a witness in any action or proceeding in connection with a matter regarding an event or transaction which he has perceived or investigated in the course of his duties in any manner other than as provided in Sections 68097.1, 68097.2, 68097.3, 68097.4, 68097.5 and 68097.6 is guilty of a misdemeanor and any member of the California Highway Patrol, peace officer member of the State Fire Marshal's Office, sheriff, deputy sheriff, marshal, deputy marshal, fireman or city policeman who asks or receives any such payment except as provided in Sections 68097.2 and 68097.4 is likewise guilty of a misdemeanor.

SEC. 6.5. Section 68097.7 of the Government Code is amended to read:

68097.7. Any person who pays or offers to pay any money or other form of consideration for the services of any employee of the Department of Justice who is a peace officer or an analyst in a technical field, member of the California Highway Patrol, peace officer member of the State Fire Marshal's Office, sheriff, deputy sheriff, marshal, deputy marshal, fireman or city policeman as a

witness in any action or proceeding in connection with a matter regarding an event or transaction which he has perceived or investigated in the course of his duties in any manner other than as provided in Sections 68097.1, 68097.2, 68097.3, 68097.4, 68097.5 and 68097.6 is guilty of a misdemeanor and any employee of the Department of Justice who is a peace officer or an analyst in a technical field, member of the California Highway Patrol, peace officer member of the State Fire Marshal's Office, sheriff, deputy sheriff, marshal, deputy marshal, fireman or city policeman who asks or receives any such payment except as provided in Sections 68097.2 and 68097.4 is likewise guilty of a misdemeanor.

SEC. 7. Section 68097.9 of the Government Code is amended to read:

68097.9. A member of the California Highway Patrol, peace officer member of the State Fire Marshal's Office, sheriff, deputy sheriff, marshal, deputy marshal, fireman or city policeman who has been subpoenaed pursuant to the provisions of Section 68097.1, 68097.3, or 68097.6, may, in lieu of attendance at the time specified in the subpoena, agree with the party at whose request such subpoena was issued to appear at another time or pursuant to such notice as may be agreed upon.

SEC. 7.5. Section 68097.9 of the Government Code is amended to read:

68097.9. An employee of the Department of Justice who is a peace officer or an analyst in a technical field, member of the California Highway Patrol, peace officer member of the State Fire Marshal's Office, sheriff, deputy sheriff, marshal, deputy marshal, fireman or city policeman who has been subpoenaed pursuant to the provisions of Section 68097.1, 68097.3, or 68097.6, may, in lieu of attendance at the time specified in the subpoena, agree with the party at whose request such subpoena was issued to appear at another time or pursuant to such notice as may be agreed upon.

SEC. 8. Section 68097.10 of the Government Code is amended to read:

68097.10. Whenever a member of the California Highway Patrol, peace officer member of the State Fire Marshal's Office, sheriff, deputy sheriff, marshal, deputy marshal, fireman or city policeman appears as a witness pursuant to Section 68097.1 and reimbursement is not made as provided for in Section 68097.2, then the California Highway Patrol, the State Fire Marshal's Office, or the public entity employing the sheriff, deputy sheriff, marshal, deputy marshal, fireman or city policeman shall have standing to bring an action in order to recover such funds.

SEC. 8.5. Section 68097.10 of the Government Code is amended to read:

68097.10. Whenever an employee of the Department of Justice who is a peace officer or an analyst in a technical field, member of the California Highway Patrol, peace officer member of the State Fire Marshal's Office, sheriff, deputy sheriff, marshal, deputy

marshal, fireman or city policeman appears as a witness pursuant to Section 68097.1 and reimbursement is not made as provided for in Section 68097.2, then the Department of Justice, the California Highway Patrol, the State Fire Marshal's Office, or the public entity employing the employee, sheriff, deputy sheriff, marshal, deputy marshal, fireman or city policeman shall have standing to bring an action in order to recover such funds.

SEC. 9. It is the intent of the Legislature, if this bill and Assembly Bill No. 695 are both chaptered and become effective January 1, 1978, both bills amend Sections 68097, 68097.1, 68097.2, 68097.5, 68097.6, 68097.7, 68097.9, and 68097.10 of the Government Code, and this bill is chaptered after Assembly Bill No. 695, that the amendments to Sections 68097, 68097.1, 68097.2, 68097.5, 68097.6, 68097.7, 68097.9, and 68097.10 proposed by both bills be given effect and incorporated in Sections 68097, 68097.1, 68097.2, 68097.5, 68097.6, 68097.7, 68097.9, and 68097.10 in the form set forth in Sections 1.5, 2.5, 3.5, 4.5, 5.5, 6.5, 7.5 and 8.5 of this act. Therefore, Sections 1.5, 2.5, 3.5, 4.5, 5.5, 6.5, 7.5 and 8.5 of this act shall become operative only if this bill and Assembly Bill No. 695 are both chaptered and become effective January 1, 1978, both amend Sections 68097, 68097.1, 68097.2, 68097.5, 68097.6, 68097.7, 68097.9, 68097.10, and this bill is chaptered after Assembly Bill No. 695, in which case Sections 1, 2, 3, 4, 5, 6, 7, and 8 of this act shall not become operative.

SEC. 10. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local government entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 594

An act to amend Section 7200.5 of the Elections Code, relating to elections.

[Approved by Governor September 6, 1977 Filed with Secretary of State September 7, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 7200.5 of the Elections Code is amended to read:

7200.5. A special election to fill a vacancy in the office of Representative in Congress, State Senator, or Member of Assembly shall be conducted on a Tuesday at least 84 days, but not more than 91 days, following the issuance of an election proclamation by the

Governor pursuant to Section 1773 of the Government Code, except that any such special election may be conducted within 180 days following the proclamation in order that the election or the primary election may be consolidated with the next regularly scheduled statewide election or local election occurring wholly or partially within the same territory in which such vacancy exists, provided that the voters eligible to vote in the local election comprise at least 50 percent of all the voters eligible to vote on the vacancy.

In no event may a special election or a primary election be conducted on the day after a state holiday.

CHAPTER 595

An act to add Section 1714.2 to the Civil Code, relating to immunity for rendering emergency care.

[Approved by Governor September 6, 1977 Filed with Secretary of State September 7, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 1714.2 is added to the Civil Code, to read:

1714.2. (a) In order to encourage citizens to participate in emergency medical services training programs and to render emergency medical services to fellow citizens, no person who has completed a basic cardiopulmonary resuscitation course which complies with the standards adopted by the American Heart Association or the American Red Cross for cardiopulmonary resuscitation and emergency cardiac care, and who, in good faith, renders emergency cardiopulmonary resuscitation at the scene of an emergency, shall be liable for any civil damages as a result of any acts or omissions by such person rendering the emergency care.

(b) This section shall not be construed to grant immunity from civil damages to any person whose conduct in rendering such emergency care constitutes gross negligence.

(c) In order to encourage local agencies and other organizations to train citizens in cardiopulmonary resuscitation techniques, no local agency, entity of state or local government, or other public or private organization which sponsors, authorizes, supports, finances, or supervises the training of citizens in cardiopulmonary resuscitation shall be liable for any civil damages alleged to result from such training programs.

(d) In order to encourage qualified individuals to instruct citizens in cardiopulmonary resuscitation, no person who is certified to instruct in cardiopulmonary resuscitation by either the American Heart Association or the American Red Cross shall be liable for any civil damages alleged to result from the acts or omissions of an individual who received instruction on cardiopulmonary

resuscitation by that certified instructor.

(e) This section shall not be construed to grant immunity from civil damages to any person who renders such emergency care to an individual with the expectation of receiving compensation from the individual for providing the emergency care.

CHAPTER 596

An act to add Section 436.64 to the Health and Safety Code, relating to blood alcohol tests.

[Approved by Governor September 6, 1977 Filed with Secretary of State September 7, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 436.64 is added to the Health and Safety Code, to read:

436.64. Any ampoules and their contents employed in a breath alcohol analysis test may be destroyed by the law enforcement agency in possession of them one year after the date of collection of the breath sample.

CHAPTER 597

An act to add Section 31483 to, and to amend Section 31453.5 of, the Government Code, relating to the County Employees Retirement Law of 1937, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 6, 1977 Filed with Secretary of State September 7, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 31483 is added to the Government Code, to read:

31483. Notwithstanding any other provision of law, whenever the governing body of a county or district has made a particular provision or provisions of this chapter applicable in such county or district through the adoption of an ordinance or resolution, such governing body may at any time thereafter adopt a further ordinance or resolution terminating the applicability of such provision or provisions as to employees of the county or district whose services commence after a given future date specified in the latter ordinance or resolution.

SEC. 1.5. Section 31453.5 of the Government Code is amended to

read:

31453.5. Notwithstanding Section 31587, and in accordance with Section 31453, the board of retirement may determine county or district contributions on the basis of a normal contribution rate which shall be computed as a level percentage of compensation which, when applied to the future compensation of the average new member entering the system, together with the required member contributions, will be sufficient to provide for the payment of all prospective benefits of such member. The portion of liability not provided by the normal contribution rate shall be amortized over a period not to exceed 30 years.

SEC. 1.6. The Legislature declares the amendments made to Section 31453.5 of the Government Code by this act are declaratory of existing law.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Certain counties, including the County of Los Angeles, are currently experiencing severe financial difficulties, which are expected to become progressively worse. Many of these counties have adopted various local option provisions of the County Employees Retirement Law of 1937 which provide for enriched retirement benefits for county employees. It is estimated that these counties could save many millions of dollars by eliminating these optional benefits as to future employees. However, there is some uncertainty as to whether the benefits in question may be rescinded without legislative authorization. Since delay will only serve to aggravate the counties' economic difficulties, it is necessary that this act take immediate effect to clarify the intent of the Legislature.

CHAPTER 598

An act to amend Section 1791 of the Civil Code, relating to consumer warranties.

[Approved by Governor September 6, 1977 Filed with Secretary of State September 7, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 1791 of the Civil Code is amended to read:

1791. As used in this chapter:

(a) "Consumer goods" means any new mobilehome, motor vehicle, machine, appliance, like product, or part thereof that is used or bought for use primarily for personal, family, or household purposes. "Consumer goods" also means any new good or product, except for soft goods and consumables, the retail sale of which is

accompanied by an express warranty to the retail buyer thereof and such product is used or bought for use primarily for personal, family, or household purposes. Soft goods and consumables, the retail sale of which is accompanied by an express warranty, shall be subject to the provisions of Section 1793.35.

(b) "Buyer" or "retail buyer" means any individual who buys consumer goods from a person engaged in the business of manufacturing, distributing, or selling such goods at retail. As used in this subdivision, "person" means any individual, partnership, corporation, association, or other legal entity which engages in any such business.

(c) "Manufacturer" means any individual, partnership, corporation, association, or other legal relationship which manufactures, assembles, or produces consumer goods.

(d) "Distributor" means any individual, partnership, corporation, association, or other legal relationship which stands between the manufacturer and the retail seller in purchases, consignments, or contracts for sale of consumer goods.

(e) "Retail seller," "seller," or "retailer" means any individual, partnership, corporation, association, or other legal relationship which engages in the business of selling consumer goods to retail buyers.

(f) "Independent repair or service facility" or "independent serviceman" means any individual, partnership, corporation, association, or other legal entity, not an employee or subsidiary of a manufacturer or distributor, which engages in the business of servicing and repairing consumer goods.

(g) "Soft goods" means any pliable product substantially composed of woven material, natural or synthetic yarn or fiber, textile, or similar product, but shall not include carpeting or tires.

(h) "Consumables" means any product which is intended for consumption by individuals, or use by individuals for purposes of personal care or in the performance of services ordinarily rendered within the household, and which usually is consumed or expended in the course of such consumption or use.

(i) "Place of business" means, for the purposes of any retail seller that sells consumer goods by catalog or mail order, the distribution point for such goods.

(j) "Return to the retail seller" means, for the purposes of any retail seller that sells consumer goods by catalog or mail order, the retail seller's place of business, as defined in subdivision (i).

CHAPTER 599

An act to amend Section 25303 of the Government Code, relating to counties.

[Approved by Governor September 6, 1977 Filed with Secretary of State September 7, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 25303 of the Government Code is amended to read:

25303. The board of supervisors shall supervise the official conduct of all county officers, and officers of all districts and other subdivisions of the county, and particularly insofar as the functions and duties of such county officers and officers of all districts and subdivisions of the county relate to the assessing, collecting, safekeeping, management, or disbursement of public funds. It shall see that they faithfully perform their duties, direct prosecutions for delinquencies, and when necessary, require them to renew their official bond, make reports and present their books and accounts for inspection.

This section shall not be construed to affect the independent and constitutionally and statutorily designated investigative and prosecutorial functions of the sheriff and district attorney of a county. The board of supervisors shall not obstruct the investigative function of the sheriff of the county nor shall it obstruct the investigative and prosecutorial function of the district attorney of a county.

Nothing contained herein shall be construed to limit the budgetary authority of the board of supervisors over the district attorney or sheriff.

CHAPTER 600

An act to amend Section 25562 of the Government Code, relating to power of boards of supervisors, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 6, 1977 Filed with Secretary of State September 7, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 25562 of the Government Code is amended to read:

25562. In counties having a population in excess of 1,000,000, the board of supervisors may provide, by contract with any person, firm, or corporation, for performances within the county including, but not limited to, operas, symphonies, band concerts and other

instrumental concerts, historical or commemorative pageants, choral concerts, plays or other related presentations (with or without music), ballet, dance, recitals, exhibitions, and readings. A charge may be made for attendance at such performances. Such contract shall provide that the management and control of such performances shall be under the supervision of the board of supervisors or shall provide specifically for those matters which cannot legally be delegated by the board of supervisors. Such contract may also provide for the reimbursement of the county, insofar as possible out of any net profits derived therefrom by such person, firm, or corporation.

In counties of the second class, as determined by Sections 28020 and 28023, the board of supervisors may provide, by contract with nonprofit corporation organized and existing under and by virture of the laws of the State of California, for the expenditure of county funds to aid in the construction by the corporation of a theater or similar facility .in which the county shall not have an ownership interest, such theater to be used for the purpose of the performance of plays, dramas, cultural, social, educational, and other events and presentations of benefit to the people of the county; provided that such contract may permit admission fees to be charged for events in such theater, but shall obligate the corporation to construct and operate such theater in a manner which will insure that the county's funds shall be utilized for public purposes of benefit to the people of the county.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Existing California law authorizes counties to enter into contracts with private persons or firms for the production of plays and other cultural events and authorizes counties to expend revenue sharing funds to meet the social needs of the population of the county. However, great confusion exists as to whether counties are authorized to allocate county revenue sharing funds to aid in the construction of a facility, owned by a nonprofit corporation, for the production of plays and other cultural events. In order to rectify this situation, it is necessary that this act take immediate effect.

CHAPTER 601

An act to add Section 20614 to the Government Code, relating to the Public Employees' Retirement System.

[Approved by Governor September 6, 1977 Filed with Secretary of State September 7, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 20614 is added to the Government Code, to read:

20614. On and after July 1, 1978, contracting agencies may, by contract or contract amendment, reduce normal member contributions by a fraction which does not exceed one-half of the normal rate of contributions otherwise required by this part. Such reduction shall be uniform with respect to all members within each of the following: local miscellaneous members, local policemen, local firemen, county peace officers, or all local safety members other than local policemen, local firemen, and county peace officers.

This section shall not apply to any contracting agency or its employees, unless and until the agency elects to be subject to the provisions of this section by amendment to its contract made in the manner prescribed for approval of contracts, except that an election among the employees is not required, or, in the case of contracts made after the date this section takes effect, by express provision in such contract making the contracting agency subject to the provisions of this section.

CHAPTER 602

An act to amend Sections 69895 and 69900 of the Government Code, relating to courts.

[Became law without Governor's signature September 7, 1977
Filed with Secretary of State September 7, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 69895 of the Government Code is amended to read:

69895. In the City and County of San Francisco, the superior court shall appoint an executive officer who shall act as a secretary to the judges of the superior court and perform the duties of jury commissioner pursuant to Section 69893. The salary of the executive officer shall be a minimum salary of three thousand one hundred thirty-two dollars ($3,132) monthly during his first year of service, three thousand two hundred forty dollars ($3,240) monthly during his second year of service, three thousand four hundred forty-eight dollars ($3,448) monthly during his third year of service, and three thousand six hundred six dollars ($3,606) monthly during his fourth year of service and thereafter.

In the city and county, on the authorization of the judges, the executive officer shall have three administrative assistants, one of whom shall receive a salary of two thousand four hundred forty-one dollars ($2,441) monthly during his first year of service, two thousand five hundred sixty-three dollars ($2,563) monthly during his second year of service, two thousand six hundred eighty-five dollars ($2,685)

monthly during his third year of service, and two thousand eight hundred seven dollars ($2,807) monthly during his fourth year of service and thereafter; and two of whom shall each receive a salary of two thousand one hundred twenty dollars ($2,120) monthly during their first year of service, two thousand two hundred twenty-seven dollars ($2,227) monthly during their second year of service, two thousand three hundred thirty-four dollars ($2,334) monthly during their third year of service, and two thousand four hundred forty-one dollars ($2,441) monthly during their fourth year of service and thereafter; and one criminal courts coordinator who shall be paid a minimum salary of one thousand six hundred eighty-nine dollars ($1,689) monthly during his first year of service, a salary of one thousand seven hundred eighty-five dollars ($1,785) monthly during his second year of service, a salary of one thousand eight hundred eighty-one dollars ($1,881) monthly during his third year of service, and a maximum salary of one thousand nine hundred seventy-six dollars ($1,976) monthly thereafter.

The increment shall be paid commencing on the first day of the month following the first, second, and third anniversary of the incumbent's appointment. All service included prior to the effective date of the amendment to this section enacted during the 1977–78 Regular Session of the Legislature shall constitute service for purpose of determining entitlement to increments.

The administrative assistants shall assist also in the performance of the duties of jury commissioner. The salaries of the executive officer and administrative assistants shall be paid by the city and county.

The court may delegate to the executive officer any administrative powers and duties as are now or hereafter by law may be vested in or required to be exercised by such court.

SEC. 2. Section 69900 of the Government Code is amended to read:

69900. In the City and County of San Francisco, a majority of the judges of the superior court may appoint the following employees, whose monthly salaries shall be as set forth hereafter:

	Step 1	*Step 2*	*Step 3*	*Step 4*
Nine judicial secretaries	$1,059	$1,101	$1,143	$1,185
Four assistant court commissioners	2,189	2,299	2,409	2,519
One traffic hearing officer	1,689	1,770	1,851	1,931
One administrative assistant to juvenile court	1,550	1,692	1,772	1,852
Two court assistants	1,081	1,153	1,225	1,296
Three clerk typists	794	831	868	905
Two information clerks	928	967	1,006	1,046
One junior clerk typist	709	756	803	850
One chief assistant to calendar clerk	1,351	1,427	1,503	1,580
One chief calendar clerk	1,689	1,785	1,881	1,976
One administrative assistant to				

master calendar judge	1,689	1,785	1,881	1,976
One director family court services	1,991	2,080	2,169	2,259
Four counselors family court services	1,556	1,619	1,682	1,746
One counselor in mental health..	1,877	1,983	2,081	2,196
Six court commissioners	2,847	2,990	3,133	3,276
One civil courts coordinator	1,877	1,983	2,081	2,196
One pretrial assistant	1,877	1,983	2,081	2,196
Four legal research assistants	1,500	1,575	1,650	1,725
One general clerk	758	794	830	866
One account clerk	743	778	813	848
One director, probate investigation	1,991	2,080	2,169	2,259
Six probate investigators	1,556	1,619	1,682	1,741
Three probate investigator clerks	818	857	896	935

All figures in the above columns represent the salaries to be paid monthly to each of the employees so appointed. All original appointments shall be at step 1, provided that on the first of the month following the first anniversary of the employee's appointment he shall advance to the second step, and thereafter on the first of the month following the second anniversary of the employee's appointment he shall advance to step 3, and thereafter on the first of the month following the third anniversary of the employee's appointment he shall advance to step 4, and thereafter shall be paid at the rate established by step 4. Service in any position enumerated herein prior to the effective date of the amendments to this section enacted at the 1977–78 Regular Session of the Legislature shall constitute service for the purpose of determining the step at which the attaché is to be paid. Service in any position wherein substantially the same duties have been performed shall also be deemed service for the purpose of determining at which step the attaché is to be paid.

Employment by the court shall be deemed to be employment by the county, if approved by resolution of the court, for purposes of determining court employees' rights to sick leave, vacation, and holiday pay and accumulation thereof, as provided either by charter or ordinances of the county for miscellaneous employees.

With the approval of the board of supervisors the court may establish such additional titles and pay rates as are required and with the approval of the board of supervisors may appoint and employ such additional commissioners, officers and assistants and other employees as it deems necessary for the performance of the duties and exercise of the powers conferred by law upon it and its members. Rates of compensation of all officers and assistants and other employees may be adjusted by joint action and approval of the board of supervisors and a majority of the judges of the court. Such appointments or changes in compensation made pursuant to this paragraph shall be on an interim basis and shall expire on January 1 of the second year following the date of the appointment or change in

compensation unless ratified by the Legislature.

The salaries of such employees shall be paid by the city and county.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because this act is in accordance with the request of a local government entity or entities which desired legislative authority to act to carry out the program specified in this act.

CHAPTER 603

An act relating to metric system conversion and making an appropriation therefor.

[Became law without Governor's signature September 7, 1977
Filed with Secretary of State September 7, 1977]

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares that it is in the interests of the state, of commerce and industry, and of the general public that there be an orderly conversion within California to the metric system of measurement, that conversion activities within the state be coordinated with the program for conversion of the United States Metric Board, and that timely amendments to the weights and measures laws be enacted so that the goal of conversion may be achieved. For this purpose, the California Metric Conversion Council is created within state government.

SEC. 2. The California Metric Conversion Council is hereby created in the Department of Food and Agriculture which shall consist of 11 members, including the Director of Food and Agriculture and 10 members appointed by the Governor and confirmed by the Senate, who shall be selected as follows:

(a) One to be selected from lists of qualified individuals recommended by engineers and organizations representative of engineering interests;

(b) One to be selected from lists of qualified individuals recommended by scientists and technicians and organizations representative of scientists and technicians;

(c) One to be selected from lists of qualified individuals recommended by manufacturers and industry and organizations representative of manufacturing and industrial interests.

(d) One to be selected from lists of qualified individuals recommended by retailers and organizations representative of retailers;

(e) One to be selected from lists of qualified individuals recommended by organizations representative of labor;

(f) One to be selected from lists of qualified individuals

recommended by small businesspersons and organizations representative of small business;

(g) One to be selected from lists of qualified individuals recommended by licensed contractors and by organizations representative of licensed contractors and construction interests.

(h) One to be selected from lists of qualified individuals recommended by educators and organizations representative of educational interests; and

(i) One at-large member to represent consumers selected from lists of individuals recommended by consumers and organizations representative of consumer interests.

(j) One to be selected from lists of qualified individuals recommended by county sealers of weights and measures and organizations representative of weights and measures officials.

The members of the council shall serve without compensation but shall be paid per diem expenses plus actual necessary travel expenses as determined by the State Board of Control. The Department of Food and Agriculture shall provide necessary staff to the council.

SEC. 3. As used in this act, the term

(a) "Council" means the California Metric Conversion Council.

(b) "Board" means the United States Metric Board.

(c) "Metric system of measurement" means the International System of Units as established by the General Conference of Weights and Measures in 1960 and as interpreted or modified for the United States by the Secretary of Commerce.

SEC. 4. It is the intent of the Legislature, in the interests of economy, that the council's efforts complement and not duplicate unnecessarily the activities of the board, that such efforts be generally consistent with the policy of the board as such policy relates to California, and that the council foster a cooperative relationship in the conversion process with other agencies of state and local government. It shall be the function of the council to devise and carry out a broad program of planning, coordination and public education, consistent with other state policies and interests, with the aim of implementing the policy set forth in this act. In carrying out such program the council shall:

(a) Consult with and take into account the interests, views, and conversion costs of California commerce and industry, including small business; science; engineering; labor; agriculture; education; consumers; government agencies at the state and local level; metric conversion planning and coordinating groups; and such other individuals or groups as are considered appropriate by the council to the carrying out of the purposes of this act. The council shall take into account activities underway in the private and public sectors, so as not to duplicate unnecessarily such activities. The council shall also take into account any special needs of specific geographic areas of the state.

(b) Provide for appropriate procedures whereby various council groups, under the auspices of the council, may formulate, and

recommend or suggest, to the council specific programs for coordinating conversion in each industry and segment thereof and specific dimensions and configurations in the metric system and in other measurements for general use. Such programs, dimensions, and configurations shall be consistent with (1) the needs, interests, and capabilities of manufacturers (large and small), suppliers, labor, consumers, educators, and other interested groups, and (2) the state interest;

(c) Publicize, in an appropriate manner, proposed programs and provide an opportunity for interested groups or individuals to submit comments on such programs. At the request of interested parties, the council, in its discretion, may hold hearings with regard to such programs. Such comments and hearings shall be considered by the council.

(d) Encourage activities of standardization organizations to develop or revise, as rapidly as practicable, engineering standards on a metric measurement basis, and to take advantage of opportunities to promote (1) rationalization or simplification of relationships, (2) improvements of design, (3) reduction of size variations, (4) increases in economy, and (5) where feasible, the efficient use of energy and the conservation of natural resources;

(e) Assist the public through information and education programs to become familiar with the meaning and applicability of metric terms and measures in daily life. Such programs shall include:

(1) Public information programs conducted by the council, through the use of newspapers, magazines, radio, television, and other media, to the extent funding is available, and through talks before appropriate citizens' groups, and trade and public organizations;

(2) Counseling and consultation with educational associations, local educational agencies, labor education committees, apprentice training committees, and other interested groups, in order to assure (i) that the metric system of measurement is included in the curriculum of the state's educational institutions, and (ii) that teachers and other appropriate personnel are properly trained to teach the metric system of measurement;

(f) Submit annually to the Legislature and the Governor a report on its activities. Each such report shall include a status report on the conversion process as well as projections for the conversion process including, but not limited to:

(1) The extent to which conversion has been achieved:

(2) The status and effectiveness of the council's programs:

(3) Projections for the conversion process:

(4) Recommendations covering any legislation or executive action needed to implement the programs of conversion accepted by the council and such action as may be appropriate to deal with any unresolved problems, issues, and questions associated with metric conversion or usage in California. The council may also submit such other reports and recommendations as it deems necessary; and

(g) Submit to the Legislature and the Governor, not later than one year after the date of enactment of this act, a report on the need to provide an effective structural mechanism for converting customary units to metric units in statutes, regulations, and other laws at all levels of government, on a coordinated and timely basis, in response to voluntary conversion programs adopted and implemented by various sectors of society under the auspices and with the approval of the council. If the council determines that such a need exists, such report shall include recommendations as to appropriate and effective means for establishing and implementing such a mechanism.

SEC. 5. This act shall remain in effect only until January 1, 1985, and on such date is repealed, unless a later enacted statute, which is chaptered on or before January 1, 1985, deletes or extends such date.

SEC. 6. The sum of fifty thousand dollars ($50,000) is hereby appropriated from the General Fund to the Department of Food and Agriculture in augmentation of the 1977–78 support budget for such department to carry out the provisions of this act.

CHAPTER 604

An act to amend Sections 5606.5, 5651, and 5652 of the Welfare and Institutions Code, relating to mental health.

[Approved by Governor September 7, 1977 Filed with Secretary of State September 7, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 5606.5 of the Welfare and Institutions Code is amended to read:

5606.5. Each county shall have an advisory committee on drug abuse, the members of which shall be appointed by the board of supervisors. The committee may be either independent or under the jurisdiction of the advisory board established pursuant to Section 5604 at the option of the board of supervisors. The membership of the advisory committee shall be composed of representatives of law enforcement agencies, public drug programs, private drug programs, education, and the general public selected by the board of supervisors.

The county advisory committee shall:

(a) Review and evaluate the community's drug program needs, services, facilities, and special programs.

(b) Review the drug program portion of the county Short-Doyle plan. This review, at the option of the county, may be in lieu of the mandated review of the local mental health advisory board.

(c) Act in an advisory capacity only, reporting its findings and recommendations to the county drug program coordinator

designated pursuant to Section 5802.

(d) If so authorized by the board of supervisors, review and approve the procedures used to insure citizen and professional involvement at all stages of the planning process leading to the formulation and adoption of the drug program portion of the county Short-Doyle plan, pursuant to subdivision (i) of Section 5651. Such review and approval shall be in lieu of the review and approval of the local mental health advisory board required by subdivision (i) of Section 5651, with respect to the planning process leading to the formulation and adoption of the drug program portion of the county Short-Doyle plan.

SEC. 2. Section 5651 of the Welfare and Institutions Code is amended to read:

5651. The county Short-Doyle plan shall include the following:

(a) A description of the persons to be served. This shall include the number of persons to be served in each of the following target groups: general mental disorder, children and adolescents, drug abuse, and mentally retarded. Each target group shall be further categorized by age groups.

(b) A description of all the comprehensive direct service programs to be provided to each target group. This shall include the state, county, and private resources providing the services, the cost of each comprehensive program, and the cost of each major program element within each comprehensive program.

(c) A description of the indirect and supportive services necessary for the operation of the county's mental health program. This shall include consultation and education services available to community agencies and professional personnel and information services to the general public, training research and evaluation. The plan shall also include the cost of each of these services. The drug abuse component of the plan shall also include but not be limited to, elements relating to prevention, detoxification, treatment and referral services, rehabilitation, and coordination of programs and other community services.

(d) A three-year projection of county needs for each target group commencing with the fiscal year for which the plan is adopted. This projection shall include a priority listing of the resources required to meet the needs of each target group, and the estimated cost of developing and acquiring these resources.

(e) A statement indicating which elements of the three-year projection the county expects to accomplish under its plan.

(f) An estimate of the county's utilization of the state hospital by numbers of admissions and patient-days for the succeeding fiscal year. This requirement shall not apply to patients for whom county expenditures for services are not reimbursable by the state under this part.

The State Department of Health shall provide the counties, to the extent possible, the information upon which to base this estimate.

No mentally disordered person shall be admitted to a state hospital

prior to screening and referral by an agency designated by the county Short-Doyle plan to provide this service.

(g) A detailed presentation of all expected expenditures of county, state, and federal government funds and all anticipated public and private revenues.

(h) A detailed description of the methodology to be used by the county for evaluating the results of the programs and services being provided for each target group. This methodology shall permit program evaluation including the relative cost and effectiveness of alternative forms and patterns of services.

(i) A description of the procedures used to insure citizen and professional involvement at all stages of the planning process leading to the formulation and adoption of the county Short-Doyle plan. Such procedures shall be reviewed and approved by the local mental health advisory board.

SEC. 3. Section 5652 of the Welfare and Institutions Code is amended to read:

5652. When the county Short-Doyle plan is submitted to the Director of the State Department of Health it shall be accompanied by a document indicating the plan has been reviewed by the local mental health advisory board. If, pursuant to subdivision (b) of Section 5606.5, the drug program portion of the county Short-Doyle plan has been reviewed by the advisory committee on drug abuse in lieu of the mandated review of the local mental health advisory board, the document shall so indicate.

CHAPTER 605

An act to amend Sections 9941, 9972, 9974, 9975, and 9984 of, and to add Section 9975.1 to, the Business and Professions Code, relating to employment agencies.

[Approved by Governor September 7, 1977 Filed with Secretary of State September 7, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 9941 of the Business and Professions Code is amended to read:

9941. (a) The bureau shall issue two types of licenses:

(1) An employment agency license.

(2) An interim employment agency license.

(b) The bureau may, when issuing a license under this chapter, restrict the type of employment agency business which may be conducted under the license to one or more of the following categories:

(1) General. This category authorizes the licensee to engage in the business of finding all types of employment for others and

charging a fee to either applicants or employers or both applicants and employers for such service.

(2) Babysitting. This category authorizes the licensee to engage exclusively in the business of providing babysitting employment for others.

(3) Domestic. This category authorizes the licensee to engage exclusively in the business of procuring domestic employment for others.

(4) Modeling. This category authorizes the licensee to engage exclusively in the business of procuring modeling employment for others.

(5) Farm Labor. This category authorizes the licensee to engage exclusively in the business of procuring farm labor employment for others.

(6) Employer Retained. This category authorizes the licensee to engage in the business of finding all types of employment for others, except domestic employment, while charging fees exclusively to employers for such service.

(c) In restricting the license to one or more of these categories the bureau shall consider all of the following:

(1) The applicant's experience.

(2) The type of employment agency business which the applicant proposes to conduct.

SEC. 2. Section 9972 of the Business and Professions Code is amended to read:

9972. No employment agency shall knowingly issue a contract for employment containing any term or condition which, if complied with, would be in violation of law, or attempt to fill an order for help to be employed in violation of law.

Contracts relating to payment of fees for employment between agencies and applicants shall not be made between employer-retained agencies and applicants and provisions of law relating to contracts between agencies and applicants are not applicable to contracts between employer-retained agencies and employers.

SEC. 3. Section 9974 of the Business and Professions Code is amended to read:

9974. Except for employer-retained agencies, a copy of the schedule in effect with the changes noted thereon shall be kept posted in the employment agency in a conspicuous place, and the posted schedule and the changes therein shall be in lettering or printing of not less than standard pica capitals. The date of the taking effect of the schedule and of each change therein shall appear on the posted copies.

SEC. 4. Section 9975 of the Business and Professions Code is amended to read:

9975. Should an employment agency send an applicant for employment and should the applicant accept employment other than that position specified in the bona fide order for employment

to which the applicant was sent, but with the same employer, then the agency shall be entitled to a fee for the employment of the applicant, payable by the applicant, computed under the terms of the fee schedule in effect in the agency at the time of referral, provided that the applicant accepts employment within 180 days of the date of referral. The expiration date of the referral shall be stated in the contract.

In interagency disputes concerning the earning of a fee for placement of an applicant, the fee shall be earned by the agency responsible for the applicant being placed. A reasonable effort shall be made by the billing agency to determine that it is entitled to the fee. The applicant shall be responsible for only one full fee for any single placement, and this fact shall be so stated in the contract.

The provisions of this section shall not apply to employer-retained agencies.

SEC. 5. Section 9975.1 is added to the Business and Professions Code, to read:

9975.1. No employment agency shall accept a fee from any applicant for employment, or send any applicant for employment, without having obtained, orally or in writing, a bona fide job order for employment, and in no case shall such employment agency accept directly, or indirectly, a registration fee of any kind. No fee charged or collected shall be in excess of the fee as scheduled.

SEC. 6. Section 9984 of the Business and Professions Code is amended to read:

9984. (a) Every employment agency shall give to every applicant for employment from whom a fee or deposit is to be received a contract or receipt, in which is stated all of the following:

(1) The name, address and telephone number of the employment agency.

(2) The name and address of the person giving the order for help, the date and consecutive number of the receipt of such order by the agency, and its manner of transmission.

(3) The date and consecutive number of issuing the contract.

(4) The name of the applicant, the name and address of the person to whom the applicant is sent for employment, and the address where the applicant is to report for employment.

(5) The amount of fee to be charged and to be collected from the applicant and the amount of fee paid or advanced by the prospective employer and by whom paid or advanced.

(6) The kind of work or employment.

(7) The daily hours of work; the wages or salary including any consideration of privilege.

(8) If any labor trouble exists at the placement of employment, that fact shall be stated in the contract.

(9) Any other term, condition, or understanding agreed upon between the agency and the applicant.

(b) There shall be printed on the face of the contract in type no smaller than 10-point bold the following: "This agency is licensed by

the Bureau of Employment Agencies of the State of California, 1430 Howe Avenue, Sacramento, California. Inquiries concerning your contract may be sent to this address." At the bottom of the contract there shall appear a notice to the effect that the contract is the property of the applicant and shall not be taken from him.

(c) The employment agency shall in such contract undertake to repay the applicant the fee in the event the applicant fails to accept employment.

(d) Every such contract or receipt shall be made and numbered consecutively in original and duplicate, both to be signed by the applicant and the person acting for the employment agency. The original shall be given to the applicant and the duplicate shall be kept on file at the agency.

(e) The provisions of this section shall not apply to employer-retained agencies.

CHAPTER 606

An act to amend Section 44949 of, and to add Section 44959.5 to the Education Code, and to amend Section 3543.2 of the Government Code, relating to school employees, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 7, 1977 Filed with Secretary of State September 7, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 44949 of the Education Code is amended to read:

44949. (a) No later than March 15 and before an employee is given notice by the governing board that his services will not be required for the ensuing year, the governing board and the employee shall be given written notice by the superintendent of the district or his designee, or in the case of a district which has no superintendent by the clerk or secretary of the governing board, that it has been recommended that such notice be given to the employee, and stating the reasons therefor.

If a probationary employee has been in the employ of the district for less than 45 days on March 15, the giving of such notice may be deferred until the 45th day of employment and all time period and deadline dates herein prescribed shall be coextensively extended.

Until the employee has requested a hearing as provided in subdivision (b) or has waived his right to a hearing, the notice and the reasons therefor shall be confidential and shall not be divulged by any person, except as may be necessary in the performance of duties; however, the violation of this requirement of confidentiality, in and of itself, shall not in any manner be construed as affecting the

validity of any hearing conducted pursuant to this section.

(b) The employee may request a hearing to determine if there is cause for not reemploying him for the ensuing year. A request for a hearing must be in writing and must be delivered to the person who sent the notice pursuant to subdivision (a), on or before a date specified therein, which shall not be less than seven days after the date on which the notice is served upon the employee. If an employee fails to request a hearing on or before the date specified, his failure to do so shall constitute his waiver of his right to a hearing. The notice provided for in subdivision (a) shall advise the employee of the provisions of this subdivision.

(c) In the event a hearing is requested by the employee, the proceeding shall be conducted and a decision made in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code and the governing board shall have all the power granted to an agency therein, except that: (1) the respondent shall file his notice of defense, if any, within five days after service upon him of the accusation and he shall be notified of such five-day period for filing in the accusation; (2) the discovery authorized by Section 11507.6 of the Government Code shall be available only if request is made therefor within 15 days after service of the accusation, and the notice required by Section 11505 of the Government Code shall so indicate; and (3) the hearing shall be conducted by a hearing officer who shall prepare a proposed decision, containing findings of fact and a determination as to whether the charges sustained by the evidence are related to the welfare of the schools and the pupils thereof. The proposed decision shall be prepared for the governing board and shall contain a determination as to the sufficiency of the cause and a recommendation as to disposition. However, the governing board shall make the final determination as to the sufficiency of the cause and disposition. None of the findings, recommendations, or determinations contained in the proposed decision prepared by the hearing officer shall be binding on the governing board or on any court in future litigation. Copies of the proposed decision shall be submitted to the governing board and to the employee on or before May 7 of the year in which the proceeding is commenced. All expenses of the hearing, including the cost of the hearing officer, shall be paid by the governing board from the district funds. The board may adopt from time to time such rules and procedures not inconsistent with provisions of this section, as may be necessary to effectuate this section.

(d) The governing board's determination not to reemploy a probationary employee for the ensuing school year shall be for cause only. The determination of the governing board as to the sufficiency of the cause pursuant to this section shall be conclusive, but the cause shall relate solely to the welfare of the schools and pupils thereof. Cause shall include termination of services for the reasons specified in Section 44955, unless a collective agreement has been entered into

in accordance with Section 44959.5. The decision made after the hearing shall be effective on May 15 of the year the proceeding is commenced.

(e) Notice to the probationary employee by the governing board that his service will not be required for the ensuing year, shall be given no later than May 15.

(f) If a governing board notifies a probationary employee that his services will not be required for the ensuing year, the board shall, within 10 days after delivery to it of the employee's written request, provide him with a statement of its reasons for not reemploying him for the ensuing school year.

(g) Any notice or request shall be deemed sufficient when it is delivered in person to the employee to whom it is directed, or when it is deposited in the United States registered mail, postage prepaid and addressed to the last known address of the employee.

(h) In the event that the governing board does not give notice provided for in subdivision (e) of this section on or before May 15, the employee shall be deemed reemployed for the ensuing school year.

(i) If after request for hearing pursuant to subdivision (b) any continuance is granted pursuant to Government Code Section 11524, the dates prescribed in subdivisions (c), (d), (e) and (h) which occur on or after the date of granting the continuance shall be extended for a period of time equal to such continuance.

SEC. 2. Section 44959.5 is added to the Education Code, to read:

44959.5. (a) The provisions of Sections 44955, 44956, 44957, 44958 and 44959 shall not be applicable to probationary certificated employees who are covered by a collective agreement which contains provisions for the layoff and reassignment of such employees.

(b) If layoff proceedings are commenced under procedures prescribed by any of the sections referred to in subdivision (a), such proceedings shall continue in accordance with the statutory procedures, notwithstanding the subsequent adoption of a collective agreement or the inclusion in the coverage thereof of employees not so covered at the time such proceedings commenced.

(c) If layoff proceedings are commenced under a collective agreement which contains provisions for the layoff of probationary certificated employees, such proceedings shall continue in accordance with the agreement, notwithstanding the subsequent termination of the agreement.

(d) This section shall only apply to a school district in which the average daily attendance is 400,000 or more.

SEC. 3. Section 3543.2 of the Government Code is amended to read:

3543.2. The scope of representation shall be limited to matters relating to wages, hours of employment, and other terms and conditions of employment. "Terms and conditions of employment" mean health and welfare benefits as defined by Section 53200, leave,

transfer and reassignment policies, safety conditions of employment, class size, procedures to be used for the evaluation of employees, organizational security pursuant to Section 3546, procedures for processing grievances pursuant to Sections 3548.5, 3548.6, 3548.7, and 3548.8, and the layoff of probationary certificated school district employees, pursuant to Section 44959.5 of the Education Code. In addition, the exclusive representative of certificated personnel has the right to consult on the definition of educational objectives, the determination of the content of courses and curriculum, and the selection of textbooks to the extent such matters are within the discretion of the public school employer under the law. All matters not specifically enumerated are reserved to the public school employer and may not be a subject of meeting and negotiating, provided that nothing herein may be construed to limit the right of the public school employer to consult with any employees or employee organization on any matter outside the scope of representation.

SEC. 4. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because the duties, obligations or responsibilities imposed on local governmental entities or school districts by this act are such that related costs are incurred as part of their normal operating procedures.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to permit this act to be operative for the entire 1977–78 fiscal year, and so facilitate the orderly administration of collective negotiation and layoff procedures in the school district to which this act applies, it is necessary that this act take effect immediately.

CHAPTER 607

An act to amend Sections 6094.5, 6292, 6293, and 6421 of the Revenue and Taxation Code, relating to sales and use taxes.

[Approved by Governor September 7, 1977 Filed with Secretary of State September 7, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 6094.5 of the Revenue and Taxation Code is amended to read:

6094.5. (a) Any person who gives a resale certificate for property which he knows at the time of purchase is not to be resold by him in the regular course of business for the purpose of evading payment to the seller of the amount of the tax applicable to the transaction is

guilty of a misdemeanor.

(b) Any person who gives a resale certificate for property which he knows at the time of purchase is not to be resold by him in the regular course of business is liable to the state for the amount of tax that would be due if he had not given such resale certificate.

SEC. 2. Section 6292 of the Revenue and Taxation Code is amended to read:

6292. (a) Except when the sale is by lease, when a vehicle required to be registered under the Vehicle Code is sold at retail by other than a person licensed or certificated pursuant to the Vehicle Code as a manufacturer, dealer, dismantler, or lessor-retailer, subject to the provisions of Section 11615.5 of the Vehicle Code, the retailer is not required or authorized to collect the use tax from the purchaser, but the purchaser of the vehicle must pay the use tax to the Department of Motor Vehicles acting for and on behalf of the board pursuant to Section 4750.5 of the Vehicle Code.

(b) If the purchaser makes an application to that department which is not timely, and is subject to penalty because of delinquency in effecting registration or transfer of registration of the vehicle, he then becomes liable also for penalty as specified in Section 6591 of this code, but no interest shall accrue.

(c) Application to that department by the purchaser shall relieve the purchaser of the obligation to file a return with the board under Section 6452.

(d) If the purchaser does not make application to that department, or does not pay the amount of use tax due, or files a return with the board under Section 6455 which is not timely, interest and penalties shall apply with respect to the unpaid amount as provided in Chapter 5 (commencing with Section 6451) of this part.

SEC. 3. Section 6293 of the Revenue and Taxation Code is amended to read:

6293. (a) Except when the sale is by lease, when a vehicle subject to identification under Division 16.5 (commencing with Section 38000) of the Vehicle Code is sold at retail by other than a person licensed or certificated pursuant to the Vehicle Code as a manufacturer, dealer, dismantler, or lessor-retailer, subject to the provisions of Section 11615.5 of the Vehicle Code, or a person required to hold a sellers permit pursuant to Article 2 (commencing with Section 6066) of Chapter 2 of this part by reason of the number, scope, and character of his sales of such vehicles, the retailer is not required or authorized to collect the use tax from the purchaser, but the purchaser of the vehicle shall pay the use tax to the Department of Motor Vehicles acting for and on behalf of the board pursuant to Section 38211 of the Vehicle Code.

(b) If the purchaser makes an application to that department which is not timely, and is subject to penalty because of delinquency in effecting identification or transfer of ownership of the vehicle, he then becomes liable also for penalty as specified in Section 6591 of

this code, but no interest shall accrue.

(c) Application to that department by the purchaser shall relieve the purchaser of the obligation to file a return with the board under Section 6452.

(d) If the purchaser does not make application to that department, or does not pay the amount of use tax due, or files a return with the board under Section 6455 which is not timely, interest and penalties shall apply with respect to the unpaid amount as provided in Chapter 5 (commencing with Section 6451) of this part.

SEC. 4. Section 6421 of the Revenue and Taxation Code is amended to read:

6421. (a) If a purchaser certifies in writing to a seller that the property purchased will be used in a manner or for a purpose entitling the seller to regard the gross receipts from the sale as exempted by this chapter from the computation of the amount of the sales tax, and uses the property in some other manner or for some other purpose, the purchaser shall be liable for payment of sales tax as if he were a retailer making a retail sale of the property at the time of such use, and the cost of the property to him shall be deemed the gross receipts from such retail sale. The certificate shall relieve the seller from liability for the sales tax only if it is taken in good faith.

(b) For purposes of this section, "use" is the same as defined in Section 6009 without the exclusion defined in the first paragraph of Section 6009.1.

CHAPTER 608

An act to validate the organization, boundaries, acts, proceedings and bonds of public bodies, as herein defined, and to provide limitations of time within which actions may be commenced in connection therewith.

[Approved by Governor September 7, 1977 Filed with Secretary of State September 7, 1977]

The people of the State of California do enact as follows:

SECTION 1. The following terms shall have the following meanings herein:

(a) The term "public body" means counties, cities and counties, cities, and the following districts, authorities, agencies, boards, commissions and other entities:

Agencies, boards, commissions or entities constituted or provided for under or pursuant to Chapter 5 (commencing with Section 6500), Division 7, Title 1 of the Government Code.

Air pollution control districts.

Airport districts.

Assessment districts.
Bridge and highway districts.
California water district distribution districts.
California water district improvement districts.
California water districts.
Cemetery districts.
Citrus pest control districts.
City general improvement district improvement districts.
City general improvement districts.
City maintenance districts.
Community college districts.
Community facilities districts.
Community service districts.
Conservancy districts.
County boards of education.
County drainage districts.
County fire protection districts.
County flood control and water districts.
County free library systems.
County maintenance districts.
County power pumping districts.
County sanitation district improvement districts.
County sanitation districts.
County service area improvement areas.
County service areas.
County sewage and water districts.
County water agencies.
County water authorities.
County water district improvement districts.
County water districts.
County waterworks districts.
Department of Water Resources and other agencies acting under and pursuant to Part 3 (commencing with Section 11100), Division 6 of the Water Code.
Drainage districts.
Fire protection districts.
Flood control and water conservation districts.
Flood control districts.
Garbage and refuse disposal districts.
Garbage disposal districts.
Harbor districts.
Harbor improvement districts.
Harbor, recreation, and conservation districts.
Highway districts.
Highway interchange districts.
Highway lighting districts.
Horticultural development districts.
Horticultural protection districts.
Housing authorities.

Irrigation district distribution districts.
Irrigation district improvement districts.
Irrigation districts.
Joint harbor improvement districts.
Joint highway districts.
Joint municipal sewage disposal districts.
Junior college districts.
Levee districts.
Library districts.
Local health districts.
Local hospital districts.
Metropolitan water districts.
Mosquito abatement districts.
Municipal facilities districts.
Municipal improvement district improvement districts.
Municipal improvement assessment districts.
Municipal improvement districts.
Municipal port districts.
Municipal sewer districts.
Municipal utility districts.
Municipal water district improvement districts.
Municipal water districts of any kind.
Parking authorities.
Parking districts.
Park, recreation and parkway districts.
Permanent road divisions.
Pest abatement districts.
Port districts.
Project areas of redevelopment agencies.
Protection districts.
Public cemetery districts.
Public utility district improvement districts.
Public utility districts.
Rapid transit authorities.
Rapid transit districts.
Reclamation districts.
Recreational harbor districts.
Recreation and park districts.
Recreation, park and parkway districts.
Redevelopment agencies.
Regional park districts.
Regional planning districts.
Resort improvement districts.
Resource conservation districts.
River port districts.
Road districts.
Sanitary agencies.
Sanitary districts.
Sanitary districts annexed areas.

School districts of any kind or class.
Separation of grade districts.
Sewer maintenance districts.
Special transit service districts.
Storm water districts.
Transit districts.
Underground utility districts.
Unified air pollution control districts.
Unified port districts.
Urban renewal agencies.
Vehicle parking districts.
Veterans' memorial districts.
Water agencies.
Water authorities.
Water conservation districts.
Water districts.
Water replenishment districts.
Water storage district improvement districts.
Water storage districts.
Weed abatement districts.
Zones of county water agencies.
Zones of county water authorities.
Zones of county waterworks districts.
Zones of flood control and water conservation districts.
Zones of flood control districts.

The term "public body" and the plural thereof, as used in this act, shall include only those entities which are specifically enumerated in this section.

(b) The term "bonds" means all instruments evidencing an indebtedness of a public body incurred or to be incurred for any public purpose, and all instruments evidencing the borrowing of money in anticipation of taxes, revenues or other income of such body, and all instruments payable from revenues or special funds of such public bodies, and all instruments funding or refunding any thereof or any indebtedness.

SEC. 2. All public bodies heretofore organized or existing under, or under color of, any law are hereby declared to have been legally organized and to be legally functioning as such public body. Every such public body shall have all the rights, powers, and privileges, and be subject to all the duties and obligations of such a public body regularly formed pursuant to law.

SEC. 3. The boundaries of every public body as heretofore established, defined, or recorded, or as heretofore actually shown on maps or plats used by the assessor, are hereby confirmed, validated, and declared legally established.

SEC. 4. All acts and proceedings heretofore taken by any public body or bodies under any law, or under color of any law, for the annexation or inclusion of territory into any such public body or for

the annexation of any such public body to any other such public body or for the withdrawal or exclusion of territory from any such public body or for the consolidation, merger, or dissolution of any public bodies are hereby confirmed, validated, and declared legally effective. This shall include all acts and proceedings of the governing board of any such public body and of any person, public officer, board or agency heretofore done or taken upon the question of the annexation or inclusion or of the withdrawal or exclusion of such territory or the consolidation, merger, or dissolution of such public bodies.

SEC. 5. All acts and proceedings heretofore taken by or on behalf of any public body under any law, or under color of any law, for the authorization, issuance, sale, or exchange of bonds of any such public body for any public purpose are hereby confirmed, validated, and declared legally effective. This shall include all acts and proceedings of the governing board of such public body and of any person, public officer, board or agency heretofore done or taken upon the question of the authorization, issuance, sale, or exchange of such bonds.

All bonds of any public body heretofore issued shall be, in the form and manner in which issued and delivered, the legal, valid and binding obligations of the public body. All bonds of any public body heretofore awarded and sold to a purchaser and hereafter issued and delivered in accordance with the contract of sale and other proceedings for the award and sale shall be the legal, valid and binding obligations of the public body. All bonds of any public body heretofore authorized to be issued by ordinance, resolution, order or other action adopted or taken by or on behalf of the public body and hereafter issued and delivered in accordance with such authorization shall be the legal, valid and binding obligations of the public body. All bonds of any public body heretofore authorized to be issued at an election and hereafter issued and delivered in accordance with such authorization shall be the legal, valid and binding obligations of the public body. Whenever an election has heretofore been called for the purpose of submitting to the voters of any public body the question of issuing bonds for any public purpose, such bonds, if hereafter authorized by the required vote and in accordance with the proceedings heretofore taken, and issued and delivered in accordance with such authorization, shall be the legal, valid and binding obligations of the public body.

SEC. 6. (a) The foregoing provisions of this act shall operate to supply such legislative authorization as may be necessary to validate any such acts and proceedings heretofore taken which the Legislature could have supplied or provided for in the law under which such acts or proceedings were taken.

(b) The foregoing provisions of this act shall be limited to the validation of acts and proceedings to the extent to which the same can be effectuated under the State and Federal Constitutions.

(c) The foregoing provisions of this act shall not operate to

confirm, validate, or legalize any act, proceeding, or other matter the legality of which is being contested or inquired into in any legal proceeding now pending and undetermined or which may be pending and undetermined during the period of 30 days from and after the effective date of this act, and shall not operate to confirm, validate, or legalize any act, proceeding, or other matter which has heretofore been determined in any legal proceeding to be illegal, void or ineffective.

(d) This act shall not operate to confirm, validate, or legalize a contract between any district and the United States.

SEC. 7. Any action or proceeding contesting the validity of any action or proceeding heretofore taken under any law, or under color of any law, for the formation, organization or incorporation of any public body, or for any annexation thereto, exclusion therefrom or other change of boundaries thereof, or for the consolidation, merger or dissolution of any public bodies, or for the authorization, issuance, sale or exchange of bonds thereof upon any ground involving an alleged defect or illegality not effectively validated by the prior provisions of this act and not otherwise barred by any statute of limitations or by laches must be commenced within six months of the effective date of this act; otherwise each and all of said matters shall be held to be valid and in every respect legal and incontestable. This section shall not extend the period in which any action may be brought beyond the period in which it would be barred by any presently existing valid statute of limitations.

SEC. 8. Nothing contained in this act shall be construed to render the creation of any city or district, or any change in the boundaries of any city or district, effective for purposes of assessment or taxation unless the statement, together with the map or plat, required to be filed under Sections 54900 to 54904, inclusive, of the Government Code, is filed within the time and substantially in the manner required by said sections.

SEC. 9. As used in this act, the word "now" means the date this act takes effect; the word "heretofore" means any time prior to such effective date; and the word "hereafter" means any time subsequent to such effective date.

SEC. 10. This act may be cited as the Third Validating Act of 1977.

CHAPTER 609

An act to amend Sections 26970 and 36508 of the Government Code, relating to officers.

[Approved by Governor September 7, 1977. Filed with Secretary of State September 7, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 26970 of the Government Code is amended to read:

26970. Notwithstanding the provisions of Section 24009, at any general or special election, the board of supervisors of general law counties with a population in excess of 220,000 according to the federal census of 1950, may submit to the electors of the county the question of whether the elective office of county auditor shall be replaced by the appointive office of county director of finance; provided, however, that the board of supervisors shall not submit such question to the electors more often than once in an 11-month period.

SEC. 2. Section 36508 of the Government Code is amended to read:

36508. At any municipal election, or a special election held for that purpose, the city council may submit to the electors the question whether the elective officers, or any of them except councilmen, shall be appointed by the city council; provided, however, that the city council shall not submit such question to the electors more often than once in an 11-month period.

CHAPTER 610

An act to repeal and add Division 31 (commencing with Section 50000) of, the Health and Safety Code, relating to housing finance.

[Approved by Governor September 7, 1977 Filed with Secretary of State September 7, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Division 31 (commencing with Section 41000) of the Health and Safety Code is repealed.

SEC. 2. Division 31 (commencing with Section 50000) is added to the Health and Safety Code, to read:

DIVISION 31. HOUSING AND HOME FINANCE

PART 1. STATE HOUSING POLICY AND GENERAL PROVISIONS

CHAPTER 1. LEGISLATIVE FINDINGS AND DECLARATIONS

50000. This division shall be known and may be cited as the Zenovich-Moscone-Chacon Housing and Home Finance Act.

50001. The Legislature finds and declares that the subject of housing is of vital statewide importance to the health, safety, and welfare of the residents of this state, for the following reasons:

(a) Decent housing is an essential motivating force in helping

people achieve self-fulfillment in a free and democratic society.

(b) Unsanitary, unsafe, overcrowded, or congested dwelling accommodations constitute conditions which cause an increase in, and spread of, disease and crime.

(c) A healthy housing market is one in which residents of this state have a choice of housing opportunities and one in which the housing consumer may effectively choose within the free marketplace.

(d) A healthy housing market is necessary both to achieve a healthy state economy and to avoid an unacceptable level of unemployment.

50002. The Congress of the United States has established, as a national goal, the provision of a decent home and a suitable living environment for every American family and the Legislature finds and declares that the attainment of this goal is a priority of the highest order. The national housing goal, as it applies to California, is deserving of adoption by the Legislature, with the accompanying commitment to guide, encourage, and direct where possible, the efforts of the private and public sectors of the economy to cooperate and participate in the early attainment of a decent home and a satisfying environment for every Californian.

The attainment of a national and state housing goal is complicated by a variety of continuing problems, not the least of which are the absence of a coherent housing policy, the absence of a comprehensive framework outlining the dimensions of need and obstacles preventing the fulfillment of such need, the absence of effective private-public mechanisms designed to engender and facilitate a partnership approach to housing, and the absence of effective subsidy programs designed to reach very low income households and other persons and families of low or moderate income.

50003. The Legislature finds and declares that, as a result of public actions involving highways, public facilities, and urban renewal projects, and as a result of poverty and the spread of slum conditions and blight to formerly sound neighborhoods, there exists within the urban and rural areas of the state a serious shortage of decent, safe, and sanitary housing which persons and families of low or moderate income, including the elderly and handicapped, can afford. This shortage is inimical to the safety, health, and welfare of the residents of this state and the sound growth of its communities. Private enterprise and investment, without the assistance contemplated in this division, is not disposed to provide, nor can it economically achieve, the needed construction of decent, safe, and sanitary housing at rentals which persons and families of low and moderate income can afford and the urgently needed rehabilitation of existing housing.

In order to remedy such housing shortages, it is necessary to implement a public program incorporating the following elements and goals:

(a) A reduction in the cost of mortgage financing for rental

housing to provide lower rent for persons and families of low or moderate income.

(b) A reduction in the cost of mortgage financing for home purchases, in order to make homeownership feasible for persons and families of low or moderate income.

(c) The availability of mortgage financing in geographical areas in which private lenders have been unable or unwilling to commit sufficient funds for residential lending.

(d) The provision of assistance and encouragement with respect to residential construction and rehabilitation by private enterprise which will house persons of varied economic means in the same structures and neighborhoods, thereby alleviating and contributing to the permanent elimination of slum conditions.

(e) An increase in the supply of housing available to the elderly and handicapped and large families.

(f) Encouragement and assistance of housing and community development in rural areas and among Indian residents of the state.

(g) Encouragement of mutual self-help housing projects, home management training, and relocation assistance.

(h) Maximum utilization of federal subsidies available to meet housing needs of very low income households and persons and families of low and moderate income.

(i) The provision to local governments of the financial resources, statistical data, and technical assistance needed to assist them in meeting housing needs within their respective jurisdictions. The term "financial resources," as used in this subdivision, means proceeds from the sale of bonds by the agency and federal assistance made available to the agency for any of the purposes of this division.

50004. The Legislature finds and declares that it is to the economic benefit of the state and a public purpose to encourage the availability of adequate housing and home finance for persons and families of low or moderate income, and to develop viable urban and rural communities by providing decent housing, enhanced living environment, and increased economic opportunities for persons and families of low or moderate income. The exercise of the powers specified in this division will be in all respects for the benefit of the people of the state, for their well-being and prosperity, and for the improvement of their social and economic conditions. Therefore, this division shall be liberally construed to effect its purposes.

50005. The Legislature finds and declares that full cooperation and coordination with the cities and counties of the state in meeting the housing needs of the state on a level of government which is as close as possible to the people it serves is essential if workable housing programs are to be developed and implemented.

50006. The Legislature finds and declares that a number of federal housing programs have failed to reach the fundamental goals and purposes for which they were established, especially in urban areas. In California, this failure has often been related to inadequate consideration of the relationship between housing and the

community in which the housing is located.

It is the intent of the Legislature in enacting this division to seek to avoid such failures by providing a comprehensive and balanced approach to the solution of housing problems of very low income households and persons and families of low or moderate income in the state. It is further the intent of the Legislature to provide a program which gives consideration, not only to the production and financing of housing, but also to the social and aesthetic impact of such housing. A California housing program must consider the distribution throughout the state of such housing as may be assisted pursuant to this division, the avoidance of imposed economic, ethnic, and racial isolation or concentration, an emphasis on superior design, including the scale and location of such housing, the preparation of communities and persons to avail themselves of the program, and other factors which contribute to a decent living environment. Such program shall be designed to overcome racial isolation and concentration through revitalization of deteriorating and deteriorated urban areas by attracting a full range of income groups to central-city areas to provide economic integration with persons and families of low or moderate income in such areas.

50007. The Legislature finds and declares that the large equities that the majority of California residents in most economic strata have now accumulated in single-family homes must be protected and conserved.

50008. (a) Nothing in this division shall authorize the imposition of controls on rents for housing units not financed pursuant to this division.

(b) Housing units owned, financed, insured, or otherwise assisted by the agency pursuant to this division and which are controlled as to rents by a regulatory contract between the agency and the housing sponsor shall not be subject to controls on rent imposed by any state or local agency or other local public entity. The right to control rent on such units shall reside exclusively in the agency to the extent provided in this section.

CHAPTER 2. DEFINITIONS

50050. Unless otherwise indicated by the context, the definitions contained in this chapter shall govern the construction of this division.

50051. "Affirmative action" means any program created pursuant to rules and regulations of the agency to create greater job opportunities for members of disadvantaged racial, sexual, religious, ancestral, or national-origin groups. Such program shall include educational, promotional, and other appropriate activity designed to secure greater employment opportunity for the members of such groups.

50052. "Affirmative marketing program" means any program approved by the agency that is designed to achieve greater access to

housing opportunities created by this division for members of disadvantaged racial, sexual, religious, ancestral, or national-origin groups. Such program shall include educational, promotional, and other appropriate activity designed to secure greater housing opportunities for the members of such groups. Where a significant number of persons in a community have limited fluency in the English language, publications implementing an affirmative marketing program in that community shall be provided in the native language of such persons.

50053. "Affordable rent" means rent not in excess of the percentage of the gross income of the occupant person or family established by regulation of the agency and not in excess of market rent. Such percentage shall be established at not more than 25 percent nor less than 15 percent of gross income as will best serve the purposes of this division. The agency shall, by regulation, adopt criteria defining, and providing for determination of, gross income and rent for purposes of this section, which shall be consistent with pertinent regulations of the United States Department of Housing and Urban Development or other federal law with respect to developments aided by the federal government.

50054. "Agency" means the California Housing Finance Agency.

50055. "Assisted housing" means housing financed by a below-market interest rate mortgage insured or purchased, or a loan made, by the Secretary of the United States Department of Housing and Urban Development or by the Farmers Home Administration of the United States Department of Agriculture; or a market-interest-rate mortgage insured or purchased, or a loan made in combination with, or as augmented by, a program of rent supplements or subsidies, interest subsidies, leasing, contributions or grants, or other programs as are now or hereafter authorized by federal law to serve persons and families of low or moderate income; or a mortgage or loan made pursuant to this division; or a mortgage or loan from any private or public source with an interest rate and terms satisfactory to the agency and which will meet the requirements and purposes of this division.

50056. "Below-market interest" means a below-market interest rate adequate to return to the agency sufficient income to meet its obligations, reserve requirements, and expenses connected with a loan financed by the agency for which such interest rate is established as determined by the agency at the time of commitment of funds, for the permanent financing.

50057. "Board" means the board of directors of the agency.

50058. "Bonds" means bonds, notes (including bond anticipation notes and construction loan notes), debentures, interim or other certificates, or other evidences of financial indebtedness issued by the agency pursuant to Part 3 (commencing with Section 50900) of this division.

50059. "Cause" means gross neglect of duties, fraud, or violation of Section 50904 or 50905.

50060. "Citizen participation" means action by the local agency that is approved by the agency as sufficient to provide persons who will be affected by financing or loan insurance assistance within a neighborhood preservation area, under the provisions of Chapter 6 (commencing with Section 51300) of Part 3 of this division or under Part 4 (commencing with Section 51600) of this division, with opportunities to be involved in planning and carrying out the financing or loan insurance assistance program. "Citizen participation" shall include, but not be limited to, all of the following and in the order provided below:

(a) Holding a public meeting prior to the hearing by the legislative body considering selection of the area for designation as a neighborhood preservation area.

(b) Consultation with an elected or appointed citizen advisory board, composed of representatives of both owners of property in, and residents of, a proposed neighborhood preservation area, in developing a plan for public improvements and the rules and regulations for implementation of the proposed assistance program.

(c) Dissemination at least seven days prior to the original hearing by mailing to property owners within the proposed neighborhood preservation area at the address shown on the latest assessment roll and by distributing to residents of the proposed neighborhood preservation area by a manner determined appropriate by the local agency, of information relating to the time and location of the hearing, boundaries of the proposed area, and a general description of the proposed assistance program.

In addition to the requirements of subdivisions (a) to (c), inclusive, any other means of citizen involvement determined appropriate by the legislative body may be implemented.

In lieu of initiating a new process of citizen participation, local agencies which have conducted or are conducting a citizen-participation process as part of an existing housing community development program, may substitute such citizen-participation process if the board approves such process as meeting the requirements of this section.

Public meetings and consultations held to implement the requirements of citizen participation shall be conducted by a planning or rehabilitation official designated by the legislative body. Public meetings shall be held at times and places convenient to residents and property owners.

50061. "Commission" means the Commission of Housing and Community Development.

50062. "Concentrated rehabilitation area" means an area characterized by substantial deterioration of residential structures and which is designated by the agency pursuant to Section 51302.

50063. "Construction loan" means a short-term loan secured by real property, made for development costs incurred in construction or rehabilitation of a housing development.

50064. "Department" means the Department of Housing and

Community Development.

50065. "Development costs" means the aggregate of all costs incurred in connection with a housing development which are approved by the agency as reasonable and necessary, including, but not limited to, the following:

(a) The cost of refinancing or acquiring land and any buildings thereon, including payments for commissions, options, deposits, or contracts to purchase properties on a proposed housing development site or payments for the purchase of such properties.

(b) The cost of site preparation, demolition, and clearing.

(c) Architectural, engineering, legal, accounting, consulting, and other fees paid or payable in connection with the planning, execution, and financing of a housing development and the finding of an eligible mortgagee for a housing development.

(d) The cost of necessary studies, surveys, plans, and permits.

(e) The cost of insurance, interest and financing, tax and assessment costs, and other operating and carrying costs incurred during construction or rehabilitation.

(f) The cost of construction, rehabilitation, reconstruction and fixtures, medical facilities, furnishings, equipment, machinery, apparatus, and similar facilities and equipment related to the real property.

(g) The cost of land improvements, including, but not limited to, landscaping, site preparation and streets, sewers, utilities, and other offsite improvements, whether or not such costs are paid in cash or in a form other than cash.

(h) A reasonable profit and risk fee, as defined in regulations of the agency, in addition to job overhead to the general contractor and, if applicable, to a limited-dividend housing sponsor.

(i) An allowance established by the agency for working capital and for reasonable reserves set aside to defray unanticipated additional development costs.

(j) Necessary expenses incurred in connection with initial occupancy of a housing development, including reserves for any anticipated operating deficits to be incurred during the construction period and the initial year of occupancy.

(k) Repayment of a development loan.

(*l*) The cost of modifying a housing development or structure so that it is accessible to and convenient for the elderly or handicapped.

(m) The cost of such other items, including tenant and homeowner relocation and tenant and homeowner counseling, as the agency shall determine to be reasonable and necessary for the development of a housing development.

The statement of a specific cost item within this section shall in no way imply a requirement that the agency finance that item in making a loan on any housing development. Development costs shall not include any greater portion of the total cost of a housing development owned by a limited-dividend housing sponsor than is consistent with an equity investment sufficient to ensure a

substantial and continuing interest by such sponsor in the housing development.

50066. "Development loan" means a loan, made prior to the granting of a construction loan, for planning, acquisition of land and improvements thereon, and site preparation for a housing development. A development loan may include costs of architectural, engineering, legal and consulting services, the cost of necessary studies, surveys and governmental permits, and the cost of such other items as the agency deems reasonable and necessary for the initial preparation for construction or rehabilitation of a housing development.

50067. "Elderly" means a family in which the head of the household is 60 years of age or older or a single person who is 60 years of age or older. The age may be adjusted by the agency to facilitate participation in other municipal, state, or federal programs.

50068. "Financial interest" has the same meaning as specified in Section 87103 of the Government Code.

50069. "Fund" means the California Housing Finance Fund.

50070. "Governmental agency" means the United States of America, the State of California, any city, county, or city and county within this state and any department, division, public corporation, or public agency of this state or of the United States, or two or more of such entities acting jointly, or the duly constituted governing body of an Indian reservation or rancheria.

50071. "Guaranteed taxable bonds" means bonds secured by a pledge of the full faith and credit of the United States for the payment of the principal and interest on bonds issued under the authority of this division and on which the interest is not exempted from federal income taxes. Where the federal guarantees are for less than 75 percent of the liability, municipal, state, or private guarantees, bond insurance, or mortgage insurance shall be obtained in order that the amount of all such guarantees aggregate not less than 75 percent of the principal and interest on such bonds.

50072. "Handicapped" means a family in which the head of the household is suffering from an orthopedic disability impairing personal mobility or a physical disability affecting his or her ability to obtain employment or a single person with such physical disability, where the family or person requires special care or facilities in the home. "Handicapped" also includes a family in which the head of household suffers from a developmental disability specified in subdivision (a) of Section 38010 or a mental disorder which would render him or her eligible to participate in programs of rehabilitation or social services conducted by or on behalf of a public agency, or a single person with such developmental disability or mental disorder.

50073. "Housing development" means any work or undertaking of new construction or rehabilitation, or the acquisition of existing residential structures in good condition, for the provision of housing which is financed pursuant to the provisions of this division for the primary purpose of providing decent, safe, and sanitary housing for

persons and families of low or moderate income. "Housing development" also means housing financed pursuant to this part for rental occupancy of, for resale to, or sold to, persons and families of low or moderate income. Notwithstanding other provisions of this section "housing development" does not include a work or undertaking financed by a neighborhood improvement loan. A housing development may include housing for other economic groups as part of an overall plan to develop new or rehabilitated communities or neighborhoods, where housing for persons and families of low or moderate income is a primary goal. A housing development may include any buildings, land, equipment, facilities, or other real or personal property which the agency determines pursuant to its rules and regulations to be necessary or convenient in connection with the provision of housing pursuant to this division, including, but not limited to, streets, sewers, utilities, parks, site preparation, landscaping, and other nonhousing facilities, such as administrative, community, health, recreational, educational, commercial facilities, and child-care facilities which the agency determines are an integral part of a housing development or developments.

50074. "Housing sponsor" means any individual, joint venture, partnership, limited partnership, trust, corporation, cooperative, local public entity, duly constituted governing body of an Indian reservation or rancheria, or other legal entity, or any combination thereof, certified by the agency pursuant to rules and regulations of the agency as qualified to either own, construct, acquire or rehabilitate a housing development, whether for profit, nonprofit, or organized for limited profit, and subject to the regulatory powers of the agency pursuant to rules and regulations of the agency and other terms and conditions set forth in this division. "Housing sponsor" includes persons and families of low or moderate income who are approved by the agency as eligible to own and occupy a housing development and individuals and legal entities receiving neighborhood improvement loans through the agency.

50075. "Legislative body" means the city council, board of supervisors, or other legislative body of the local agency.

50076. "Limited-dividend housing sponsor" means any sponsor which owns a housing development and whose profit or cash return is limited pursuant to Section 51202 and regulations adopted by the board pursuant thereto.

50077. "Local agency" means a city, county, or city and county and includes any governmental agency or local public entity to which such city, county, or city and county may, after a public hearing, delegate functions under this division.

50078. "Local housing agent" means a city, county, city and county, or combination thereof acting jointly, or the duly constituted governing body of an Indian reservation or rancheria which is certified by the department pursuant to Section 51252 to review applications by prospective housing sponsors for loans made or

assisted under this division for housing developments proposed within the territorial boundaries of the local housing agent.

50079. "Local public entity" means any county, city, city and county, the duly constituted governing body of an Indian reservation or rancheria, redevelopment agency organized pursuant to Part 1 (commencing with Section 33000) of Division 24, or housing authority organized pursuant to Part 2 (commencing with Section 34200) of Division 24, and also includes any state agency, public district or other political subdivision of the state, and any instrumentality thereof, which is authorized to engage in or assist in the development or operation of housing for persons and families of low or moderate income. "Local public entity" also includes two or more local public entities acting jointly.

50080. "Market interest" means, except with respect to neighborhood improvement loans, the interest rate determined by the agency, pursuant to its rules and regulations, to be the lowest interest rate generally available in the private market for construction loans, loans for new single-family housing, apartment project loans, or loans on existing housing, as the case may be, at the time of commitment of funds by the agency. In the case of neighborhood improvement loans, "market interest" shall instead mean an interest rate fixed by the agency, not exceeding 10 percent annual interest nor exceeding the interest rate paid on bonds issued to finance the loan by more than 2 percent.

50081. "Market rent" means the monthly rent established by the agency as competitive according to its own regulations, except where federal regulations provide a required method of determining market rent. Determination of market rent may be reviewed annually upon application by the mortgagor, subject to applicable federal regulations, if any.

50082. "Metropolitan area" means a standard metropolitan statistical area as established by the United States Office of Management and Budget.

50083. "Mortgage" means a mortgage, deed of trust, or other instrument which is a lien on real property. "Mortgage" includes the note secured by such an instrument.

50084. "Mortgage deficient area" means an area where private lenders have failed to provide sufficient mortgage credit for financing or refinancing of new, existing, or rehabilitated housing developments, and such practices have caused or threaten to cause a decline in the condition or quality of the housing stock in the area.

50085. "Mortgage assistance area" means an area characterized by a deficiency of available mortgage financing but in which general deterioration of residential structures has not occurred, and which is designated by the agency pursuant to Section 51304.

50086. "Mortgage loan" means a long-term loan which is secured by a mortgage and is made for permanent financing, including refinancing of existing mortgage obligations as authorized by regulation of the agency, of a housing development in the state.

50087. "Mutual self-help housing" means assisted housing for which persons and families of low or moderate income contribute their own labor in individual or group efforts to provide decent, safe, and sanitary housing for themselves, their families, and others occupying the housing.

50088. "Neighborhood improvement loan" means a loan made for rehabilitation and improvement of a structure in a neighborhood preservation area pursuant to Section 51307. Notwithstanding other provisions of this part such loans shall not be utilized for the acquisition of a housing development or a residential structure.

50089. "Neighborhood preservation area" means any concentrated rehabilitation area, scattered-site rehabilitation area, or mortgage assistance area.

50090. "Nonmetropolitan area" means an area not included in a metropolitan area or a rural area.

50091. "Nonprofit housing sponsor" means a nonprofit corporation incorporated pursuant to Part 1 (commencing with Section 9000) of Division 2 of Title 1 of the Corporations Code or a cooperative housing corporation, as defined in subdivision (a) of Section 17265 of the Revenue and Taxation Code, which is certified by the agency as qualified to own a housing development.

50092. "Owner-occupied housing development" means a housing development containing not more than four residential units, one of which is occupied by the owner of the housing development.

50093. "Persons and families of low or moderate income" means persons and families whose income does not exceed 120 percent of area median income. However, the agency and the department jointly, or either acting with the concurrence of the Secretary of the Business and Transportation Agency, may permit higher income limitations in designated geographic areas of the state, upon a determination that 120 percent of the median income in the particular geographic area is too low to qualify a substantial number of persons and families of low or moderate income who can afford rental or home purchase of housing financed pursuant to Part 3 (commencing with Section 50900) without subsidy.

"Persons and families of low or moderate income" includes very low income households, as defined in Section 50105, and includes persons of low income, persons and families of moderate income, and middle-income families. As used in this division:

(a) "Persons of low income" means persons or families who are eligible for financial assistance specifically provided by a governmental agency for the benefit of occupants of housing financed pursuant to this division.

(b) "Persons and families of moderate income" or "middle-income families" means persons and families of low or moderate income whose income exceeds 80 percent of the area median income.

As used in this section, "area median income" means the median

household income of a geographic area of the state, as adjusted for family size, as determined by the agency. Nothing in this section shall prevent the agency from adopting federal estimates of area median income, or federal formulas for adjustment of area median income for family size in determining area median income.

50094. "Qualified mortgage lender" means a mortgage lender certified by the agency, pursuant to rules and regulations thereof, to do business with the agency or a housing authority certified by the agency as capable of financing the construction or rehabilitation of residential structures. Such a mortgage lender may be a bank or trust company, mortgage banker, federal- or state-chartered savings and loan association, service corporation, or other financial institution or governmental agency which is deemed capable of providing service or otherwise aiding in the financing of construction loans and mortgage loans, and nothing in any other provisions of state law shall prevent such a lender or governmental agency from serving as a qualified mortgage lender under this division. A "qualified mortgage lender" that is determined by the agency to have violated state law of the terms of any agreement with the agency shall be promptly decertified.

50095. "Real property" means all lands, including improvements and fixtures thereon, and property of any nature appurtenant thereto or used in connection therewith, and every estate, interest, and right, legal or equitable, therein, including leaseholds, terms of years, and liens by way of judgment, mortgage, or otherwise.

50096. "Rehabilitation" means repairs and improvements to a dwelling unit necessary to make it an attractive, decent, safe, and sanitary dwelling which meets applicable state and local building and housing standards.

50097. "Rehabilitation standards" means applicable state or local building or housing standards adopted pursuant to the State Housing Law, Part 1.5 (commencing with Section 17910) of Division 13, or continued in effect pursuant thereto.

50098. "Rents" or "rentals" mean the charges paid by the persons and families of low or moderate income for occupancy in a housing development assisted under this division whether the units are rented or operated as a cooperative.

50099. "Residential structure" means a real property improvement used, or intended to be used, for residential or mixed residential and commercial purposes, or for commercial purposes if, in the judgment of the agency, it is an integral part of a residential neighborhood.

50100. "Rules", "regulations", or "rules and regulations" mean regulations as defined in Chapter 4.5 (commencing with Section 11371) of Part 1 of Division 3 of Title 2 of the Government Code. All regulations of the department and agency shall be subject to such provisions.

50101. "Rural area" means any open country, or any place, town, village, or city which is not part of or associated with an urban area

and which (1) has a population not in excess of 2,500 inhabitants, or (2) has a population in excess of 2,500 but not in excess of 10,000 if it is rural in character, or (3) has a population in excess of 10,000 but not in excess of 20,000, and is not contained within a standard metropolitan statistical area. This definition may be changed by the agency to conform to changes in federal programs.

50102. "Rural mortgage area" means an area outside any city, metropolitan area or urban county, as such terms are defined by Section 102 of the Housing and Community Development Act of 1974 (P.L. 93-383).

50103. "Scattered-site rehabilitation area" means an area that is declining and contains some deterioration of residential structures and which is designated by the agency pursuant to Section 51303.

50104. "Subsidy" means any financial assistance specifically provided by a governmental agency for the benefit of persons and families of low or moderate income, which is paid to an occupant of housing financed pursuant to this part for housing costs or which reduces such occupant's housing costs. "Subsidy" shall not include any benefit resulting from a loan made by the agency nor any benefit derived from the abatement of taxes levied by the state or a political subdivision thereof.

50105. "Very low income households" means (1) persons and families whose incomes do not exceed the qualifying limits for very low income families established pursuant to Section 8 of the United States Housing Act of 1937, or (2), in the event such federal standards become obsolete, persons and families whose incomes do not exceed 50 percent of the median income, as estimated by the agency from time to time, for the area in which the housing units in question are located. Adjustments above or below such maximum income limitations shall be made to compensate for family size variations.

CHAPTER 3. GENERAL PROVISIONS

50150. In the event of conflict between this division and any other provision of law, the provisions of this division shall be deemed controlling. If any clause, sentence, paragraph, or section of this division is held invalid by any court of competent jurisdiction, the decision shall not affect or impair any of the remaining provisions.

50151. The Secretary of the Business and Transportation Agency shall be responsible for allocating financial aid and contributions made available directly to state government or to the agency by any agency of the United States for the purpose of subsidizing housing for persons and families of low or moderate income. Housing subsidies shall be first allocated to the agency. Only after the Secretary of the Business and Transportation Agency has determined that the agency has sufficient subsidies for its purposes may housing subsidies be allocated to other divisions of state government.

Nothing in this division shall preclude the establishment of direct relationships between the federal government and local public

entities or shall in any way alter the authority of local public entities to directly receive federal funds, nor shall anything in this division be construed to supersede or affect any other provision of law relating to the control of funds by local public entities. Further, nothing in this division shall affect the authority or reduce the obligations specified in Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 of the Government Code with respect to payment of relocation assistance or prevent the receipt and disbursement of federal funds made available to any governmental agency for such purpose.

50152. To further the goals of this division and to enable the success of a statewide housing program, it is essential, and the Legislature intends, that the agency and the department shall closely coordinate their activities to assure that the goals and purposes of this division are realized.

50153. Nothing in this division shall be construed to authorize the creation of a debt or liability of the state within the meaning of Section 1 of Article XVI of the State Constitution.

PART 2. DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT AND COMMISSION OF HOUSING AND COMMUNITY DEVELOPMENT

CHAPTER 1. ORGANIZATION OF THE DEPARTMENT AND GENERAL POWERS

50400. The Department of Housing and Community Development is hereby continued in existence in the Business and Transportation Agency.

50401. The department shall be administered by an executive officer known as the Director of Housing and Community Development. The director shall be appointed by the Governor, subject to confirmation by the Senate, and shall hold office at the pleasure of the Governor. The director shall receive the annual salary provided for by Chapter 6 (commencing with Section 11550) of Part 1 of Division 3 of Title 2 of the Government Code.

50402. The provisions of Chapter 2 (commencing with Section 11150) of Part 1 of Division 3 of Title 2 of the Government Code apply to the department, and the director is the head of the department within the meaning of such provisions. The director shall perform all duties, exercise all powers, discharge all responsibility, and administer and enforce all laws, rules, and regulations under the jurisdiction of the department. The director shall keep all books and records necessary for proper and efficient administration of the department.

50403. The Governor shall appoint, upon the recommendation of the director, a deputy director. The deputy director shall hold office at the pleasure of the director and shall receive a salary as shall be fixed by the director with the approval of the Department of

Finance.

50404. The work of the department shall be divided into the following three divisions:

(a) The Division of Codes and Standards.

(b) The Division of Research and Policy Development.

(c) The Division of Community Affairs.

50405. Each division shall be in the charge of a chief, under the direction of the director. The chiefs shall be appointed, upon recommendation by the director, by the Governor. Such division chiefs shall hold office at the pleasure of the director, and shall receive a salary as shall be fixed by the director with the approval of the Department of Finance.

50406. For the purposes of this division, the department shall have all of the following powers:

(a) To sue and be sued in its own name.

(b) To have an official seal and to alter it at pleasure.

(c) To make and execute contracts and all other instruments necessary or convenient for the exercise of its powers and functions.

(d) To employ architects, planners, engineers, attorneys, accountants, experts in housing construction, management and finance, and such other advisers, consultants, and agents as may be necessary in its judgment for the performance of its functions and to fix their compensation in accordance with applicable law.

(e) To provide advice, technical information, and consultative and technical services as provided in this division.

(f) To establish, revise from time to time, and charge and collect fees and charges for services provided pursuant to this division.

(g) To accept gifts or grants or loans of funds or property or financial or other aid from any federal or state agency or private source and to comply with conditions thereof not contrary to law.

(h) To enter into agreements or other transactions with any governmental agency, including an agreement for administration of a housing or community development program of the governmental agency by the department, or for administration by another governmental agency of a program of the department, either in whole or in part.

(i) To enter such agreements and perform such acts as are necessary to obtain subsidies for use in connection with the exercise of powers and functions of the department, and to transfer such subsidies to others as required by any such agreement.

(j) To appear in its own behalf before boards, commissions, departments, or other agencies of local, state, or federal government.

(k) To establish such regional offices as deemed necessary to effectuate the department's purposes and functions.

(*l*) To acquire real or personal property, or any interest therein, on either a temporary or long-term basis, in its own name by gift, purchase, transfer, foreclosure, lease, option, or otherwise, including easements or other incorporeal rights in property.

(m) To provide bilingual staff in connection with services of the

department and make available departmental publications in a language, other than English, where necessary to effectively serve groups for which such services or publications are made available.

(n) To do any and all things necessary to carry out its purposes and exercise the powers expressly granted by this division.

50407. The department shall be the principal state department responsible for coordinating federal-state relationships in housing and community development, except for housing finance. The department shall continually evaluate the impact upon the state of federal policies and programs affecting housing and community development and encourage full utilization of federal programs available for assisting the residents of this state, the private housing industry, and local public entities in satisfying housing and community development needs in this state.

50408. The department shall annually submit to the Governor and both houses of the Legislature:

(a) Recommendations for changes in state and federal law necessary to meet the need for housing and community development in the state.

(b) An annual report of the operations and accomplishments of the department, and of other state departments as they affect state housing and community development activities.

(c) A report containing revisions of the California Statewide Housing Plan.

CHAPTER 2. POLICY ACTIVITIES OF THE DEPARTMENT

50450. The department shall complete and recommend for adoption a California Statewide Housing Plan. The plan shall be developed in cooperation with the private housing industry as well as regional and local housing and planning agencies and other agencies of the state. Subsequent to environmental review and a review of consistency with other state plans by the State Office of Planning and Research, it shall be referred by the commission, together with the commission's comments, to the Legislature on or before February 1, 1977, for review, revision, and adoption as the California Statewide Housing Plan. Upon enactment it shall serve as a state housing plan for purposes of the Housing and Community Development Act of 1974 (P.L. 93-383).

50451. The California Statewide Housing Plan shall incorporate a statement of housing goals, policies, and objectives, as well as the following segments:

(a) An evaluation and summary of housing conditions throughout the State of California, with particular emphasis upon the availability of housing for all economic segments of the state. Such evaluation shall include an analysis of all areas outside metropolitan areas, which may be divided into one or more multicounty areas by the department, and rural areas, as defined and designated by the Bureau of the Census of the United States Department of

Commerce, rather than as defined in Section 50101, of each metropolitan area, and of each regional planning area designated by the State Office of Planning and Research or by the United States Department of Housing and Urban Development. The evaluation shall include an analysis of the existing distribution of housing by type, size, gross rent, value, and, to the extent data is available, condition, and of the existing distribution of households by gross income, size, and ethnic character for each such area and region in such form as to present for each county, area, and region the number of rooms, gross income, household size, and rent or value cross-tabulated in a single table.

(b) Housing development goals for the 1975–76 fiscal year and projected four additional fiscal years ahead. Such goals shall be established as the minimum number of units necessary to be built or rehabilitated by July 1, 1980, in order to provide sufficient housing to house all residents of the state in standard, uncrowded units in suitable locations.

(c) Goals for the provision of housing assistance for the 1975–76 fiscal year and projected four additional fiscal years ahead. Such goals shall be established as the minimum number of households to be assisted which will result in achieving by July 1, 1980, a substantial reduction in the number of very low income households and other persons and families of low or moderate income constrained to pay more than 25 percent of their gross income for housing. Income groups to be considered in establishing such goals shall be designated by the department and shall include households a significant number of which are required to pay more than 25 percent of their gross income for housing on September 26, 1975, as determined by the department.

(d) An identification of market constraints and obstacles and specific recommendations for their removal.

(e) An analysis of state and local housing and building codes and their enforcement. Such analysis shall include consideration of whether such codes contain sufficient flexibility to respond to new methods of construction and new materials.

(f) Recommendations for state and other public and private action which will contribute to the attainment of housing goals established for California.

50452. The department shall annually update and provide to the commission, for review, comment, and submission to the Legislature, a revision of the California Statewide Housing Plan. Such proposed revisions shall contain the following segments:

(a) A comparison of the housing goals for the preceding fiscal year with the amount of construction and rehabilitation achieved and housing assistance provided in such fiscal year.

(b) A revision of the minimum housing construction and rehabilitation goals specified in subdivision (b) of Section 50451 for the current year and projected four additional fiscal years ahead.

(c) A revision of the housing assistance goals specified in

subdivision (c) of Section 50451 for the current year and projected four additional fiscal years ahead.

(d) A revision of the evaluation required by subdivision (a) of Section 50451 as new census or other survey data become available.

(e) An updating of recommendations for state action which will facilitate the attainment of housing goals established for California.

The Legislature may revise and shall adopt such annual updates to the California Statewide Housing Plan.

50453. The California Statewide Housing Plan developed pursuant to Section 50450 shall provide a data base for local housing market studies and serve as a guide for local housing elements required by Section 65302 of the Government Code. It is also intended to serve as a state housing plan and provide a framework for local housing assistance plans meeting requirements of federal law.

50454. The goals and recommendations adopted for the California Statewide Housing Plan shall be published once adopted, and shall be republished as revisions are adopted. Sufficient copies shall be made available for distribution to concerned persons throughout the state.

50455. The department shall develop a statewide farmworker housing assistance plan and related policies, goals and objectives for inclusion in the California Statewide Housing Plan.

50456. The department shall collect, publish, and make available to the public information about federal, state, and local laws regarding housing and community development. The department may provide a statistics and research service for the collection and dissemination of information affecting housing and community development.

50457. The department shall develop specifications for the structure, functions, and organization of a housing and community development information system for this state. Such system shall include statistical, demographic, and community development data which will be of assistance to local public entities in the planning and implementation of housing and community development programs.

The department shall, subject to the availability of moneys therefor, establish prototype housing and community development information systems in two or more counties or multiple-county areas. The department shall operate the prototype systems, or it may contract with one or more counties, or with one or more counties and with one or more cities, or with a regional agency including one or more counties for operation of one or more prototype systems and shall report to the Legislature thereon.

50458. The department shall assist and advise the Office of Planning and Research on the performance of functions specified in Section 65040.3 of the Government Code.

50459. The department shall adopt guidelines for the preparation of housing elements required by Section 65302 of the Government Code. The guidelines initially adopted shall conform as nearly as

possible to the guidelines adopted by the commission June 17, 1971, and shall be adopted in accordance with the provisions of Chapter 4.5 (commencing with Section 11371) of Part 1 of Division 3 of Title 2 of the Government Code. After consultation with the State Office of Planning and Research, the department may, from time to time, revise such guidelines.

The department may review local housing elements for conformity with the requirements of Section 65302 of the Government Code and guidelines adopted pursuant thereto, and report its findings. The department may, in connection with any loan or grant application submitted to the agency, require submission to it for review of any local housing element and any local housing assistance plan adopted pursuant to provisions of the Housing and Community Development Act of 1974 (P.L. 93-383).

50460. The department shall adopt guidelines relating to relocation assistance by public entities, as defined in Section 7260 of the Government Code, pursuant to the provisions of Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 of the Government Code. The department may provide consulting and technical assistance to such public entities in drafting and amending rules and regulations relating to relocation assistance pursuant to subdivision (e) of Section 7268 of the Government Code. The department may require such public entities to reimburse the department for such assistance as the department provides.

The department shall, at intervals of two years, review relocation plans prepared pursuant to Section 33411, and the progress in implementation of the plans.

50461. The department shall issue guidelines for the preparation of affirmative plans by local public entities pursuant to Section 65008 of the Government Code.

50462. The department may initiate, develop, and propose regulations for adoption by the agency and review regulations proposed by the board prior to their taking effect, with respect to the following:

(a) Standards for affirmative marketing programs of housing sponsors seeking financial assistance from the agency.

(b) Criteria for certifying that the sale or conveyance of real property pursuant to Section 51061 or Section 51251 will primarily benefit persons and families of low or moderate income living in a housing development or a residential structure.

(c) Regulations permitting grants to be made by the agency to housing sponsors for the purpose of attaining affordable rents in housing developments financed by the agency. Such grants shall not be made with moneys derived from the sale of bonds.

(d) Regulations governing payments, procedures, and eligibility for relocation assistance for individuals and families displaced by actions of the agency or of housing sponsors of housing developments or neighborhood improvement loans.

(e) Criteria for qualification of persons, families, and households

as persons and families of low or moderate income or very low income households.

(f) Regulations establishing the maximum percentage of income which may be paid by persons and families of low or moderate income for rent within the meaning of the term affordable rent, as defined in Section 50053.

(g) Regulations designating geographical areas of need throughout the state for housing construction or rehabilitation, as identified in the California Statewide Housing Plan, identifying housing markets in which insufficient financing is available for purchase or rehabilitation of existing housing, identifying types of households with particularly severe housing needs, or establishing priority criteria for the selection of homes and projects to be financed as housing developments or neighborhood improvement loans.

(h) Criteria for inclusion of nonhousing facilities in housing developments financed by the agency.

Regulations proposed by the agency in such areas of responsibility shall not take effect without concurrence of the director, the Secretary of the Business and Transportation Agency, or a representative of the secretary specifically designated for such review and approval.

50463. The department may certify local housing agents, and may periodically review, recertify, and decertify such local housing agents as provided in Section 51252.

50464. The department may:

(a) Make investigations of housing and community development in California.

(b) Call conferences of representatives of all levels of government, industry, and private groups, to discuss housing and community development problems of California.

(c) Investigate and report upon substandard housing and the problems resulting therefrom and the work being done to remedy such conditions.

(d) Study the operation and enforcement of housing, building, zoning, and subdivision laws and regulations, of housing finance, taxes, redevelopment programs and public housing projects, as related to housing and community development.

(e) Examine the records of housing authorities and redevelopment agencies, and secure from them reports and copies of their records at any time.

(f) Promote the formation of organizations intended to increase the supply of adequate housing and the proper living environment for all the people of the state.

CHAPTER 3. ASSISTANCE ACTIVITIES OF THE DEPARTMENT

50500. The department may, upon receipt of a request of a local public entity, provide advisory assistance or staffing for development of new and rehabilitated housing for persons and families of low or

moderate income, the elderly, and persons displaced by governmental action, and in the development of programs to correct or eliminate blight and deterioration and to effect community development or redevelopment.

The department may contract with a local public entity to provide any necessary staff services associated with, or required by, a local public entity and which could be performed by the staff of a redevelopment agency or housing authority.

The department may provide technical assistance in developing housing for students and faculty of universities and colleges upon the request of a potential housing sponsor, or at the request of the governing board or other agency of a university or college.

50501. The department may furnish counseling and guidance services to aid any governmental agency or any private or nonprofit organization or persons in securing the financial aid or cooperation of government agencies in the undertaking, construction, maintenance, operation, or financing of housing for Indians, farm laborers and their families, persons and families displaced by action of any state or local public entity, workers engaged in cutting, processing, milling, handling, or shipping lumber or lumber products, the families of such workers, the elderly and handicapped, and persons and families of low or moderate income. The department may contract for or sponsor, subject to the availability of federal funds, experimental or demonstration projects for permanently fixed or mobile housing designed to meet the special needs of agricultural workers, persons displaced by action of any local public entity, the handicapped, the elderly, Indians, and persons and families of low or moderate income. Such contracts or sponsorship agreements may be between the department and local public entities, private enterprise, or nonprofit organizations.

50502. The department shall encourage research and demonstration projects to develop new and better techniques, including techniques of rehabilitation, for increasing the quality and supply of housing for persons and families of low or moderate income and may make grants or loans, with or without interest, in connection therewith.

50503. The department may adopt rules and regulations establishing a mutual self-help housing technical assistance program providing grants to nonprofit housing sponsors for carrying out programs of technical and supervisory assistance to aid persons and families of low or moderate income to develop mutual self-help housing.

50504. The department may make grants to nonprofit housing sponsors and local public entities for operating, administrative, and other expenses of planning, constructing, rehabilitating, and operating assisted housing and may make grants to housing sponsors for the benefit of residents of assisted housing in order to achieve lower rentals for some or all of the units within the assisted housing. Such grants may not be made with moneys derived from the sale of

bonds.

50505. The department may enter into agreements to provide staffing to assist the Farmers Home Administration of the United States Department of Agriculture in the conduct of federal loan and grant programs for the provision of housing for persons and families of low or moderate income in this state.

50506. The department may conduct programs of rental subsidies for tenants of existing housing pursuant to Section 8 of the United States Housing Act of 1937, but may not submit any competitive application for operation of an existing housing program in a geographic area which includes a local public entity that has applied. However, in conducting subsidy programs pursuant to this section, the department shall not operate housing developments or engage in the purchase, lease, or sublease of housing developments.

50507. The department may, upon request by a local public entity, provide technical assistance of staffing for the purpose of developing applications and plans for community development funding pursuant to the Housing and Community Development Act of 1974 (P.L. 93-383).

50508. The department shall endeavor to obtain community development funds available under Title I of the Housing and Community Development Act of 1974 (P.L. 93-383). The department may, if federal funds are available, conduct an innovative neighborhood preservation program in cooperation with a local public entity.

50509. The department may provide technical assistance to any public entity or public utility undertaking construction, maintenance, operation, or financing of replacement housing designed for persons displaced because of the acquisition or clearance of real property for public purposes.

50510. The department shall develop and, subject to specific authorization and appropriation by the Legislature or the availability of federal subsidies, implement demonstration subsidy programs to test the effectiveness of one or more housing subsidy programs for very low income households or other persons and families of low or moderate income. Such programs may include housing allowance payments, homeownership downpayment assistance, homeownership interest subsidy, leased housing subleased to very low income households, rent supplement payments on behalf of very low income households, or other types of subsidy programs.

50511. The department may provide potential housing sponsors and persons and families of low or moderate income such advisory consultative training and educational services as will assist them to become owners or tenants of housing financed under this division. Such training and services may include but are not limited to, technical and professional planning assistance, the preparation and promulgation of organizational planning and development outlines and guides, consultation services, training courses, seminars and lectures, the preparation and dissemination of newsletters and other

printed materials, and the services of field representatives.

The department shall, subject to appropriation by the Legislature, or the availability of private, local governmental, or federal funds establish a program of such home management training for persons and families of low or moderate income who are occupants or potential occupants of assisted housing.

The department may provide potential housing sponsors of multiple-unit housing developments with advisory consultative training and educational services in the management of housing.

50512. The department may provide technical assistance and aid to governmental agencies, nonprofit corporations, and housing sponsors for the purpose of providing the benefits of assisted housing to very low income households and persons and families of low or moderate income which are handicapped or in which the head of household has been previously confined to institutional care.

50513. The department may provide comprehensive technical assistance to tribal housing authorities, housing sponsors, and governmental agencies on reservations, rancherias, and on public domain to facilitate the planning and orderly development of suitable, decent, safe, and sanitary housing for American Indians residing in such areas. Such assistance may include technical assistance in land use planning, natural and environmental resource planning, and economic resource planning. Upon request of the governing body of a reservation or rancheria, the department may act on behalf of the tribal housing authority and perform the functions thereof and for such purpose shall have all the powers granted to housing authorities by Part 2 (commencing with Section 34200) of Division 13.

50514. The department shall take appropriate measures to assure that its services and publications are available to persons and families having limited fluency in the English language, in order to assure full participation by such persons and families in programs administered by the department. Where a significant number of persons in a community have limited fluency in the English language, services and essential publications of the department shall be provided in the native language of such persons.

50515. As used in Section 50516 and Section 50517:

(a) "Revolving loan fund" means the Housing Predevelopment Loan Fund which is replenished continuously by repayments of principal on loans made from the fund.

(b) "Predevelopment loan" means a loan for required expenses, other than administrative and construction, which are incurred by local governmental agencies and nonprofit corporations in the process of, and prior to, securing long-term financing for production or rehabilitation of assisted housing, and which are recoverable once long-term financing is obtained. Predevelopment loans may include, but are not limited to loans covering costs associated with land purchase or options to buy land, with professional services such as architectural, engineering, or legal services, with permit or

application fees, and with bonding, site preparation, related water or sewer development, or material expenses. In addition, such loan funds may be deposited in banks as compensating balances to establish lines of credit for participating nonprofit corporations.

(c) "Nonprofit corporation" means an entity incorporated pursuant to Part 1 (commencing with Section 9000) of Division 2 of Title 1 of the Corporations Code or a cooperative housing corporation which is a stock cooperative, as defined by Section 11003.2 of the Business and Professions Code.

(d) "Low-income persons" means a person or family household whose annual income is no more than 80 percent of the median income for a household of a similar size in the same area.

50516. There is hereby continued in existence in the State Treasury the Housing Predevelopment Loan Fund.

All money in the Housing Predevelopment Loan Fund, including any interest on loans made therefrom, is continuously appropriated to the department for carrying out the purposes of this section and Section 50517. The Housing Predevelopment Loan Fund shall be a revolving loan fund which shall be used to make predevelopment loans to local governmental agencies or nonprofit corporations for assisted housing for low-income persons in rural areas.

50517. The Housing Predevelopment Loan Fund shall be administered by the director and such persons within the department as the director may designate.

The revolving loan fund shall be administered in accordance with the following:

(a) The department may not commit more than 20 percent of the total moneys appropriated to the fund to any single borrower at any point in time.

(b) The department shall require adequate security for all loans made from the revolving loan fund. The term "adequate security" includes, but need not be limited to, a first lien on any property purchased with loan fund moneys, a promissory note, or an assignment of a land option except that in the case of Indian Trust Land a mortgage on a leasehold interest in the property shall be acceptable.

(c) The department shall, from time to time, direct the State Treasurer to invest moneys of the revolving loan fund which are not required for its current needs in such eligible securities as the department shall designate from among those specified in Section 16430 of the Government Code. The department may direct the State Treasurer to deposit moneys from the revolving loan fund in interest-bearing accounts in state or national banks or other financial institutions having principal offices in this state. The department may alternatively require the transfer of moneys in the revolving loan fund to the Surplus Money Investment Fund for investment pursuant to Article 4 (commencing with Section 16470) of Chapter 3, Part 2, Division 4, Title 2 of the Government Code. All interest, dividends, and pecuniary gains from such investments or deposits

shall accrue to the Housing Predevelopment Loan Fund.

(d) In complying with the provisions of Section 50408, the department shall also report annually to the Legislature and the Governor on the administration of the revolving loan fund. Such report shall include, but need not be limited to, (1) the number of units assisted, (2) the average income of households assisted and the distribution of annual incomes among assisted households, (3) the rents in assisted units, (4) the number and amount of loans made to each local governmental agency or nonprofit corporation in the preceding year, (5) data on the number of delinquencies and defaults, and (6) recommendations, as needed, to improve operations of the revolving loan fund.

(e) All loans made from the Housing Predevelopment Loan Fund shall bear interest. The rate of interest for any loan shall be computed annually, and shall be the same as the average rate returned by the investment of state funds through the Pooled Money Investment Board for the five fiscal years immediately preceding the year in which the loan payment is made.

50518. Notwithstanding the proviso to subitem (b) of Item 190 of the Budget Act of 1976, sixty thousand dollars ($60,000) of the amount appropriated by subitem (b) of Item 190 of the Budget Act of 1976 shall not be allocated and expended as provided therein and shall instead be allocated by the Department of Finance to the Department of Housing and Community Development for a loan to a community nonprofit organization for technical assistance in the development of an industrial park in the city of Calexico. Such loan shall be repaid upon such terms and conditions as may be prescribed by the Department of Finance.

CHAPTER 4. ORGANIZATION OF THE COMMISSION

50550. There is hereby continued in existence in state government the Commission of Housing and Community Development, which shall consist of nine members.

50551. The members shall be appointed by the Governor for four-year terms, subject to confirmation by the State Senate. Members in office on September 26, 1975 shall continue to hold office until the expiration of their terms, unless removed pursuant to Section 50552 or any other provision of law.

The term of an appointment to fill any vacancy created prior to the expiration of a term shall be for the unexpired term only. Each member shall continue to hold office after the expiration of his term until a successor has been appointed and qualified.

50552. The Governor has power to remove from office at any time, any members of the commission for continued neglect of duties required by law, or for incompetence, or dishonorable conduct. Nothing in this section shall be construed as a limitation or restriction on the power of the Governor, conferred on him by any other provision of law, to remove any member of the commission.

50553. The presiding officer of the commission shall be designated by the Governor from among the members and shall serve as presiding officer at the pleasure of the Governor.

50554. Each commission member shall receive a per diem of fifty dollars ($50) for each day actually spent in the discharge of official duties, and each shall be reimbursed for traveling and other expenses necessarily incurred in the performance of duties.

50555. The commission shall meet quarterly and at such other times and places as the commission may designate, for the purpose of transacting its business. Special meetings may be held at such times as the commission may elect, or on the call of the presiding officer of the commission, or on call of not less than four members thereof. The written notice of the time, place and object of such special meeting shall be made by the secretary to all the members not parties to the call, at least 15 days before the day of the meeting.

50556. The Director of Housing and Community Development shall serve as secretary of the commission and as such shall keep the minutes and records of all commission proceedings.

50557. The commission shall provide policy guidance to the Department of Housing and Community Development.

50558. The commission shall prepare and adopt such minimum standards regulating the use and application of cellular concrete as it determines are reasonably necessary for the protection of life and property.

50559. Except where the department is specifically vested by this part or by any other provision of law with the authority to adopt rules and regulations, the commission may adopt, amend, and repeal rules and regulations reasonably necessary to carry out the provisions of this part or by any other provision of law. Any rules and regulations of the commission in effect on September 26, 1975, shall remain in effect until amended or repealed.

CHAPTER 5. LOW-INCOME HOME MANAGEMENT TRAINING

Article 1. Legislative Findings

50600. The Legislature finds and declares that pilot projects previously authorized to test the effectiveness of a home management training program for low-income families in upgrading their skills as tenants and homeowners have been successful. As a result of such program, families in the pilot projects have been better prepared for occupancy of lease rentals and homeownership, have been better able to identify as equal partners in their neighborhoods and schools, and have improved their self-concept and feeling of personal worth. A program that can provide such long-range benefits warrants greater participation by local public and private agencies.

The Legislature further finds and declares that there is a continuing need to protect existing homeowners, whether owners of homes through governmental subsidy or private financing, from

default; there is a continuing need to provide preoccupancy counseling for families entering into first-time homeownership; and there is a continuing need to upgrade homemaking skills for persons in public housing regardless of expectation for future homeownership.

50601. The Legislature further finds and declares that, guidelines for such a program having now been refined and established through the previous pilot projects and consistency being necessary for the success of such a program, a permanent program should be established.

50602. It is, therefore, the policy of the Legislature of the State of California to encourage cities, counties, cities and counties, housing authorities, and appropriate qualifying organizations to provide adequate training to low-income families in home management, home maintenance, consumer finance, and homeownership. Financial assistance will be made available to such public agencies and private organizations for use in training low-income families and providing them with the necessary qualifications and skills to live meaningful lives as renters or owners.

Article 2. California Low-Income Home Management Training Program

50625. There is hereby continued in existence the California Low-Income Home Management Training Program, which shall be administered by the Department of Housing and Community Development.

50626. The Director of Housing and Community Development shall adopt such reasonable guidelines or procedures concerning the California Low-Income Home Management Training Program as are necessary to reasonably implement the provisions of this chapter.

50627. The director is authorized to make grants, subject to the availability of funds therefor, to any city, county, city and county, housing authority, or nonprofit organization or developer of housing under the provisions of any federal program intended to increase the supply of housing for families of low income, for families whose income does not exceed 150 percent of the admission level for public housing in the applicant community. Such grants shall be made to assist in the establishment of a home management training program by the city, county, city and county, housing authority, nonprofit organization, or developer. To qualify for such a grant, an applicant shall submit to the director an application showing a comprehensive plan for the training and qualification of low-income families. Subject to the availability of funds, grants may be renewed annually.

50628. The department shall require that a local advisory board be included in the planning, implementation, and evaluation of each local program. Such an advisory board shall include a representative from the residential building industry, a representative from the real estate industry who is a real estate licensee active in property

management, a representative from the savings and loan industry, a representative from the county welfare department, a representative from a community college, university extension service, or public school district who is active in family and consumer education, and shall include representatives who are participants in the home management training program. The department shall require that each local program make full use of supportive community services. To the fullest extent possible, projects with predominantly Spanish-American participants shall have staff members who are conversant with the Spanish language and culture or shall utilize the services of a local Spanish-speaking organization.

50629. In making grants pursuant to this chapter, the department may give priority to proposals on any of the following bases:

(a) The city, county, city and county, housing authority, organization, or developer submitting the proposal has demonstrated leadership in the implementation of a home management training program.

(b) The city, county, city and county, housing authority, organization, or developer submitting the proposal has an existing program for housing rehabilitation.

(c) The proposal demonstrates active access to community resources, such as the county welfare department or community educational services.

(d) The community in which the program will be located will provide local matching funds for the program.

(e) The city, county, city and county, housing authority, organization, or developer submitting the proposal intends to provide counseling services, including loan qualification services, to rural families eligible for the interest credit program of the Farmers Home Administration of the United States Department of Agriculture.

CHAPTER 6. URBAN HOMESTEAD PROGRAM

50650. The Legislature finds and declares that an urban homestead program, as authorized by this chapter, will aid in the rehabilitation of deteriorating areas throughout the state, while concomitantly providing an opportunity for homeownership to many persons who lack the financial resources to purchase a satisfactory home but who have the skills required to rehabilitate a dwelling structure. Urban homesteading can serve as a partial solution to many problems experienced by cities, including urban blight, lack of low-cost housing, housing segregation, desertion of central cities, and unnecessary suburban expansion.

Because such program will be conducted with property acquired from the United States Department of Housing and Urban Development at no cost to the state, the benefit to be derived will not require the expenditure of more than a nominal amount of state moneys for administration of the program.

50651. For the purpose of conducting a program of urban homesteading pursuant to this chapter, the department may accept grants of improved real property from the United States Department of Housing and Urban Development. However, the department shall conduct such programs only in cities and cities and counties the governing bodies of which have, by resolution, consented thereto.

50652. The department shall conditionally convey such properties to eligible purchasers for nominal consideration upon the following conditions:

(a) The purchaser will occupy such property as a principal residence for not less than three years.

(b) The purchaser will make any repairs necessary to make the structure lawful for occupancy prior to occupying the structure.

(c) The purchaser will make all other necessary repairs as may be necessary to fully comply with applicable state or local housing standards within 18 months of the date of initial occupancy.

(d) The purchaser will permit inspection at reasonable intervals by agents or employees of the department or of the city housing or building department for the purpose of determining compliance with the terms and conditions of the conveyance.

50653. (a) Upon any material breach in the terms and conditions of the conditional conveyance, it shall be revoked or otherwise terminated by the department.

(b) Upon compliance with all the terms and conditions of the conditional conveyance, fee simple title will be conveyed by the department to the purchaser without additional consideration.

50654. The department shall adopt eligibility criteria for purchasers and priorities based upon need and ability to comply with the terms and conditions specified in this chapter, and shall adopt and implement equitable selection procedures.

50655. The department may contract with the United States Department of Housing and Urban Development for the purposes of this chapter, including contracts for technical assistance in the administration of the program.

50656. If required by the United States Department of Housing and Urban Development as a condition to a grant of property under Section 810 of the Housing and Community Development Act of 1974, the department may contract with, or solicit assurances from, any city or city and county with respect to planning in areas designated for an urban homestead program or with respect to upgrading of community services and facilities.

PART 3. CALIFORNIA HOUSING FINANCE AGENCY

CHAPTER 1. ORGANIZATION

50900. The California Housing Finance Agency is hereby continued in existence in the Business and Transportation Agency. The agency constitutes a public instrumentality and a political subdivision of the state, and the exercise by the agency of the powers conferred by this division shall be deemed and held to be the performance of an essential public function.

50901. The agency shall be administered by a board of directors consisting of 11 voting members, including a chairperson. Members in office on January 1, 1978 shall continue to hold office until the expiration of their term, their ceasing to be qualified, or their removal from office. The State Treasurer, the Secretary of the Business and Transportation Agency, and the Director of Housing and Community Development, or their designees, shall be members, in addition to five members appointed by the Governor, one member appointed by the Speaker of the Assembly, and one member appointed by the Senate Rules Committee. The Director of Finance, the Director of the State Office of Planning and Research, and the president and the executive vice president of the agency shall serve as nonvoting ex officio members of the board.

50902. Appointed members of the board shall be able persons broadly reflective of the economic, cultural, and social diversity of the state, including ethnic minorities and women. However, it is not intended that formulas or specific ratios be applied in order to achieve such diversity. Of the members appointed by the Governor, one shall be an elected official of a city or county engaged in the planning or implementation of a housing, housing-assistance, or housing rehabilitation program; one shall be experienced in residential real estate in the savings and loan, mortgage banking, or commercial banking industry; one shall be experienced as a builder of residential housing; one shall be experienced in organized labor of the residential construction industry; and one shall be experienced in the management of rental housing occupied by lower-income households. At least one of such members appointed by the Governor shall be a resident of a rural or nonmetropolitan area. The Senate Rules Committee and the Speaker of the Assembly shall each appoint a tenant living in rental housing financed by the agency or a person experienced in counseling, assisting, or representing tenants. The terms of the members initially appointed by the Governor, the Senate Rules Committee, and the Speaker of the Assembly shall be as follows:

(a) An elected official of a city or county engaged in the planning or implementation of a housing, housing-assistance, or housing rehabilitation program—two years appointed by the Governor.

(b) Member experienced in residential real estate in the savings and loan mortgage banking or commercial banking industry—four

years appointed by the Governor.

(c) Member who is experienced as a builder of residential housing—six years appointed by the Governor.

(d) Member experienced in organized labor of the residential construction industry—two years appointed by the Governor.

(e) Member experienced in the management of rental housing occupied by lower-income households—four years appointed by the Governor.

(f) Member appointed by the Speaker of the Assembly who is a tenant living in rental housing financed by the agency or is experienced in counseling, assisting, or representing tenants—six years.

(g) Member appointed by the Senate Rules Committee who is a tenant living in rental housing financed by the agency or is experienced in counseling, assisting, or representing tenants—two years.

The term of any member of the board appointed to serve subsequent to the expiration of such an initial term shall be six years. Any person appointed to fill a vacancy on the board shall serve only for the remainder of the unexpired term. Successors to initially appointed members specified in subdivisions (f) and (g) shall be or shall have been tenants living in rental housing financed by the agency, if any exists. Members of the board shall, subject to continued qualification, be eligible for reappointment. If a member of the board ceases to meet the qualifications specified in this section, the membership of such person on the board shall be terminated.

50903. All members of the board appointed by the Governor shall be confirmed by the Senate.

50904. The representation of varied interest groups on the board shall be deemed essential to obtain information for the development of policy and decisions of the board. It shall not be a conflict of interest for an official of any local public entity or a tenant of any housing development, or a director, officer, stockholder, or employee of any savings and loan institution, investment banking firm, brokerage firm, commercial bank or trust company, architectural firm, insurance company, labor union, or any other person, association, or corporation to serve as a member of the board. When present at a meeting of the board, a board member shall be legally required to participate in the deliberations within the meaning of Section 87101 of the Government Code, except as otherwise provided in this section. If any board member has a financial interest, such interest shall be disclosed as a matter of official public record and shall be described with particularity before the board member acts or participates in any way in deliberations affecting such interests.

If any board member has a financial interest, a conflict statement shall be filed pursuant to the regulations of the Fair Political Practices Commission and distributed to all other members of the board.

No board member of the agency may vote on any matter in which the member has a financial interest.

A member who has a financial interest in a housing sponsor or a housing development financed by the agency shall disclose the financial interest in open public meeting at the time matters concerning such a housing sponsor or housing development are raised. A member having such an interest may not participate in the deliberations and may not vote on any matters concerning a housing sponsor or housing development in which he has an interest.

Violations of this section shall constitute grounds for disqualification from office as a board member. Knowing or willful violation of the disclosure requirements of this section shall constitute a misdemeanor under Section 91000 of the Government Code. Pursuant to Section 91000, fines may be imposed for any such violation.

Within 60 days of September 26, 1975, the agency shall adopt a conflict of interest disclosure code pursuant to Sections 3703 and 3704 of the Government Code which shall remain in effect until a conflict of interest code has been adopted by the agency and approved by the Fair Political Practices Commission and is in effect pursuant to Article 3 (commencing with Section 87300) of Chapter 7 of Title 9 of the Government Code. Within 15 days of adoption of such code, each board member shall file a statement.

50905. (a) No officer or employee of the agency shall be employed by, hold any paid official relation to, or have any financial interest in, any housing sponsor or any housing development financed or assisted under this part. No real property to which a member of the board or an officer or employee of the agency holds legal title or in which such person has any financial interest shall be purchased by the agency or sold by such member of the board or officer or employee of the agency to a housing sponsor for a housing development to be financed under this part.

Any violation of this section shall be a conflict of interest which shall be grounds for disqualification of the member from the board or the officer or employee of the agency from his office or employment with the board or agency.

(b) Except as provided by subdivision (c), the following actions shall be voidable in the discretion of the agency:

(1) Any purchase by the agency of real property in which a member of the board or an officer or employee of the agency has legal title or a financial interest.

(2) Any commitment by the agency to provide financial assistance to a housing sponsor in which a member of the board or officer or employee of the agency is employed, holds any official relation, or has any financial interest.

(3) Any commitment by the agency to provide financial assistance to a housing sponsor to which real property has been or is transferred for a housing development to be financed under this part, if a member of the board or officer or employee of the agency has or has

had legal title or any financial interest in such real property.

(c) Any commitment by the agency to provide financial assistance under the circumstances specified in paragraph (2) or (3) of subdivision (b) shall not be voidable following release of the funds.

(d) Notwithstanding the provisions of this section and Section 50904, any conflict of interest by a member of the board or officer or employee of the agency shall not affect the validity of any bonds or insurance issued pursuant to this division.

50906. Board members shall be removable solely for cause.

50907. The Governor shall appoint a chairperson who, when present, shall preside at meetings of the board. The term of the chairperson shall be five years.

50908. The Governor shall, subject to confirmation by the Senate, appoint a president who shall serve for a term of five years as the chief executive officer of the agency and shall, subject solely to supervision by the board, administer and direct the day-to-day operations of the agency. The board shall from time to time determine the total number of authorized employees within the agency. The board shall determine the salaries of those employees of the agency whose salaries are not paid from moneys appropriated to the agency from the General Fund, other than moneys appropriated by Chapter 1, Statutes of 1975, First Extraordinary Session.

50909. The compensation of the president shall be established by the board in such amount as is reasonably necessary, in the discretion of the board, to attract and hold a person of superior qualifications. However, the salary of the president shall not exceed the salary of the Secretary of the Business and Transportation Agency. Members of the board shall not receive a salary but shall be entitled to a per diem allowance of fifty dollars ($50) for each day's attendance at a meeting of the board or a meeting of a committee of the board, not to exceed three hundred dollars ($300) in any month, and reimbursement for expenses incurred in the performance of their duties under this part, including travel and other necessary expenses.

50910. The president may from time to time employ technical experts and such other employees as may, in his judgment, be necessary for the conduct of the business of the agency.

50911. Notwithstanding the provision of Sections 11042 and 11043 of the Government Code, the president may employ as attorney for the agency an attorney at law licensed in this state. The attorney shall advise the board, the chairperson, and the president, when so requested, with regard to all matters in connection with the powers and duties of the agency and the board members and officers thereof. The attorney shall perform all duties and services as attorney to the agency which the agency may require of him.

Except as provided in Section 11040 of the Government Code, the Attorney General shall represent and appear for the people of the State of California and the agency in all court proceedings involving any question under this division or any order or act of the agency; provided, however, that the agency may also employ private counsel

to assist in any such court proceeding.

50912. The Executive Secretary of the Housing Bond Credit Committee continued in existence pursuant to Section 51360 shall serve as the executive vice president of the agency and in such capacity shall be directly responsible to the president. The executive vice president shall provide liaison between the agency and the Housing Bond Credit Committee and shall perform such other duties as may be required by the president or the board. The agency shall reimburse the Housing Bond Credit Committee for any compensation paid by the committee to the executive secretary. The salary of the executive vice president of the agency shall not exceed the salary of the president.

50913. For its activities under this division the president shall prepare an annual budget to be reviewed by the Secretary of the Business and Transportation Agency and the Director of Finance at least 90 days prior to the close of the fiscal year and thereafter the chairperson shall present it for adoption to the board of directors with their comments.

50914. (a) The board shall authorize any sale of obligations or securities or other debt obligations and shall approve other major contractual agreements. Any other contractual agreements or debt obligations may be approved by the president pursuant to regulations of the board.

(b) Actions of the board may be taken only by a concurrence of a majority of the entire membership thereof, excepting nonvoting ex officio members.

50915. The principal offices of the agency shall be located in the City of Sacramento.

50916. All meetings of the board and of all committees of the board including those committees whose membership constitutes less than a quorum of the board shall be open and public and all persons shall be permitted to attend, except when such meetings are held as executive sessions as authorized by Section 11126 of the Government Code.

50917. All meetings of the board and of all committees of the board shall be open to the public and all persons shall be permitted to attend, except when such meetings are held as executive sessions as authorized by Section 11126 of the Government Code.

CHAPTER 2. PURPOSES AND GENERAL PROVISIONS

50950. The primary purpose of the agency shall be to meet the housing needs of persons and families of low or moderate income.

50951. In meeting the housing needs of persons and families of low or moderate income, not less than 30 percent of the units financed by mortgage loans or neighborhood improvement loans pursuant to this part shall be available to, or occupied by, very low income households at affordable rents, unless it is not possible to obtain subsidies necessary to meet such requirement. No

development loan, rehabilitation loan, or construction loan shall be made pursuant to this part if the agency determines that its ability to utilize currently available subsidies to meet the requirements of this section would be jeopardized thereby.

50952. The agency shall also seek to attain the following objectives:

(a) Acquisition of the maximum amount of funds available for subsidies for the benefit of persons and families of low or moderate income occupying units financed pursuant to this part.

(b) Housing developments providing a socially harmonious environment by meeting the housing needs of both very low income households and other persons and families of low or moderate income and by avoidance of concentration of very low income households that may lead to deterioration of a development.

(c) Emphasis on housing developments of superior design, appropriate scale and amenities, and on sites convenient to areas of employment, shopping, and public facilities.

(d) Increasing the range of housing choice for minorities of low income and low-income persons, rather than maintaining or increasing the impaction of low-income areas, and cooperation in implementation of local and areawide housing allocation plans adopted by cities, counties, and joint powers entities made up of counties and cities.

(e) Identification of areas of low-vacancy rates where construction is needed, of areas of substandard housing where rehabilitation is needed, and of areas of credit shortage where financing is needed for transfer of existing housing, so as to maximize the impact of financing activities on employment, reduction of housing costs, and maintenance of local economic activity.

(f) A balance between metropolitan, nonmetropolitan, and rural housing developments, and between family housing and housing for the elderly and handicapped, in general proportion to the needs identified in the statewide housing plan.

(g) Minimization of fees and profit allowances of housing sponsors so far as consistent with acceptable performance, in order to maximize the benefit to persons and families of low or moderate income occupying units financed by the agency.

(h) Full utilization of federal subsidy assistance for the benefit of persons and families of low or moderate income.

(i) Full cooperation and coordination with the local public entities of the state in meeting the housing needs of cities, counties, cities and counties, and Indian reservations and rancherias on a level of government that is as close as possible to the people it serves.

(j) Promoting the recovery and growth of economically depressed business located in areas of minority concentration and in mortgage-deficient areas.

50953. No provision of this division shall be construed as a restriction or limitation upon any powers which the agency or any local public entity might otherwise have under any laws of this state,

and this part is cumulative with respect to any such powers. This division shall be deemed to provide a complete, additional, and alternative method for doing the things authorized thereby, and shall be regarded as supplemental and additional to powers conferred by other laws. The issuance of bonds and refunding bonds under the provisions of this part need not comply with the requirements of any other law applicable to the issuance of bonds, and in the construction or acquisition of a housing development or a residential structure pursuant to the provisions of this division, the agency need not comply with the requirements of any other law applicable to construction or acquisition of public works, except as specifically provided in this division. The agency shall adopt regulations for review of construction contracts for the construction or rehabilitation of housing financed under this division. The agency shall require that on construction financed by a construction loan from the agency, other than mutual self-help housing developments, all workmen employed in such construction, exclusive of maintenance work, shall be paid not less than the general prevailing rate or per diem wages for work of a similar character in the locality in which the construction is performed, and not less than the prevailing rate of per diem wages for holiday and overtime work. The agency shall determine or require determination of the general prevailing rate of per diem wages in accordance with the standards set forth in Section 1773 of the Labor Code. Apprentices shall be employed in the construction of housing developments in accordance with the regulations of the agency, which shall impose the same requirements as contained in Section 1777.5 of the Labor Code, except as to differences necessitated by the methods of awarding construction contracts for housing developments financed under this division.

50954. The exercise of the powers specified in this division will be in all respects for the benefit of the people of the state, for their well-being and prosperity, and for the improvement of their social and economic conditions, and the agency shall not be required to pay any tax or assessment on any property owned by the agency under the provisions of this division or upon the income therefrom, other than real property taxes or assessments on a housing development owned by the agency. Any bonds issued by the agency under the provisions of this division, their transfer, and the income therefrom shall at all times be free from taxation by the state or any political subdivision or other instrumentality of the state, excepting inheritance and gift taxes.

50955. The agency and every housing sponsor shall require that occupancy of housing developments assisted under this part shall be open to all regardless of race, sex, marital status, color, religion, national origin, or ancestry, that contractors and subcontractors engaged in the construction of housing developments shall provide an equal opportunity for employment, without discrimination as to race, marital status, sex, color, religion, national origin, or ancestry,

and that such contractors and subcontractors shall submit and receive approval of an affirmative action program prior to the commencement of construction or rehabilitation. Affirmative action requirements respecting apprenticeship shall be consistent with Chapter 4 (commencing with Section 3070) of Division 3 of the Labor Code.

All contracts for the management, construction, or rehabilitation of housing developments, and contracts let by housing sponsors, contractors, and subcontractors in the performance of such management, construction or rehabilitation, shall be let without discrimination as to race, sex, marital status, color, religion, national origin, or ancestry and pursuant to an affirmative action program, which shall be at not less than the Federal Housing Administration affirmative action standards unless the board makes a specific finding that the particular requirement would be unworkable. The agency shall periodically review implementation of affirmative action programs required by this section.

It shall be the policy of the agency and housing sponsors to encourage participation with respect to all projects by minority developers, builders, and entrepreneurs in all levels of construction, planning, financing, and management of housing developments. In areas of minority concentration the agency shall require significant participation of minorities in the sponsorship, construction, planning, financing, and management of housing developments. The agency shall (1) require that, to the greatest extent feasible, opportunities for training and employment arising in connection with the planning, construction, rehabilitation, and operation of housing developments financed pursuant to this part be given to persons of low income residing in the area of such housing, and (2) determine and implement means to secure the participation of small businesses in the performance of contracts for work on housing developments and to develop the capabilities of such small businesses to more efficiently and competently participate in the economic mainstream. In order to achieve such participation by small businesses, the agency may, among other things, waive retention requirements otherwise imposed on contractors or subcontractors by regulation of the agency and may authorize or make advance payments for work to be performed. The agency shall develop relevant selection criteria for the participation of small businesses to ensure that, to the greatest extent feasible, the participants possess the necessary nonfinancial capabilities. With respect to such small businesses the agency may waive bond requirements otherwise imposed upon contractors or subcontractors by regulation of the agency, but the agency shall in such case substantially reduce the risk through (1) a pooled-risk bonding program, (2) a bond program in cooperation with other federal or state agencies, or (3) development of a self-insured bonding program with adequate reserves.

The agency shall adopt rules and regulations to implement the provisions of this section.

Prior to commitment of financing, the agency shall require each housing sponsor, except with respect to an owner-occupied housing development or mutual self-help housing, to submit an affirmative marketing program which meets standards set forth in regulations of the agency. The agency shall require such a housing sponsor to conduct the affirmative marketing program so approved. Additionally, the agency shall supplement the efforts of individual housing sponsors by conducting affirmative marketing programs with respect to such housing at the state level.

50956. It shall be the policy of the agency to coordinate its activities with the department. It shall be the policy of the agency to conduct its operations so as to be fiscally self-sufficient and so as not to require appropriations from the General Fund for payment of its administrative costs or to service bonds of the agency.

50957. No development or construction loan shall be made pursuant to this part if the agency determines that the making of such a loan would result in the permanent loss of a subsidy or a reduction in future subsidies due to the failure of the agency to use currently available subsidies.

50958. Loans made pursuant to this part to housing sponsors, other than nonprofit housing sponsors, of rental housing developments shall not exceed 95 percent of the development costs of the housing development for which the loan is made. Loans made pursuant to this part to nonprofit housing sponsors shall not exceed 98 percent of development costs unless (1) the nonprofit housing sponsor has or will participate in the housing development with another nonprofit housing sponsor which has a significant past record of successful residential development and not more than 30 percent of the units in such housing development will be occupied by very low income family households, or (2) the housing development will be designed for occupancy by elderly or handicapped households. In evaluating the significance of the past record of a nonprofit housing sponsor for purposes of this section, the agency shall take into consideration exclusionary or discriminatory lending policies or practices of the mortgage finance industry or government mortgage programs which have limited the record of past housing production or development by the nonprofit housing sponsor.

50959. This division is intended to benefit purchasers and residents of housing developments who are persons and families of low and moderate income and shall be liberally construed to allow such persons to initiate civil actions and to enforce rights, duties and benefits under this division and regulations adopted pursuant to this division; provided however, this section shall not limit, modify or restrict the standing of other persons to initiate civil actions by reason of the action or inaction of the agency, department or commission; and provided further that this section shall not authorize any action contesting or affecting the validity or enforceability of any bonds or insurance issued under this division or of any of the proceedings of, or actions taken by, the agency relative

to such bonds or insurance.

CHAPTER 3. FINANCIAL PROVISIONS

51000. The California Housing Finance Fund is hereby continued in existence in the State Treasury.

Construction loan funds may be transferred to the construction lender or to the contractor as necessary to meet draws for progress payments pursuant to rules and regulations of the agency.

All money in the fund is hereby continuously appropriated to the agency for carrying out the purposes of this part, and, notwithstanding the provisions of Chapter 2 (commencing with Section 12850) of Part 2.5 of Division 3 of Title 2 of the Government Code or the provisions of Article 2 (commencing with Section 13320) of Chapter 3 of Part 3 of such division, or the provisions of Sections 11032 and 11033 of the Government Code, application of the fund shall not be subject to the supervision or budgetary approval of any other officer or division of state government. However, the agency's budget shall be reviewed by the Secretary of the Business and Transportation Agency. Additionally, the agency's budget with the secretary's comments shall be submitted to the Joint Legislative Budget Committee for review and comment. The agency may pledge any or all of the moneys in the fund as security for payment of the principal of, and interest on, and redemption premiums on, bonds issued pursuant to this part, and, for such purpose or as necessary or convenient to the accomplishment of any other purpose of the agency, may divide the fund into separate accounts. All moneys accruing to the agency pursuant to this part from whatever source shall be deposited in the fund.

51001. Pursuant to any agreements with the holders of particular bonds pledging any particular assets, revenues, or moneys, the agency may create separate accounts in the fund to manage assets, revenues, or moneys in the manner set forth in such agreements.

51002. Subject to any agreements with holders of particular bonds, revenue derived pursuant to this part from neighborhood improvement loans and mortgage loans shall be deposited in a special account, which shall be used exclusively for the amortization of debt and the protection of the underlying security, until current debt service and reserves are funded.

51003. The agency shall from time to time direct the State Treasurer to invest moneys in the fund which are not required for its current needs, including proceeds from the sale of any bonds, in such eligible securities specified in Section 16430 of the Government Code as the agency shall designate. The agency may direct the State Treasurer to deposit moneys in interest-bearing accounts in state or national banks or other financial institutions having principal offices in this state. Subject to any agreements with holders of particular bonds, and to the extent public deposits are permitted by law in each type of financial institution, the agency shall direct the State

Treasurer to make such deposits based on the relative participation of the different types of financial institutions as qualified mortgage lenders. However, such allocations shall not be required to the extent that they would result in receipt by the agency of a deposit interest rate that is lower than the highest interest rate available from another institution qualified to receive such deposits. The agency may alternatively require the transfer of moneys in the fund to the Surplus Money Investment Fund for investment pursuant to Article 4 (commencing with Section 16470) of Chapter 3, Part 2, Division 4, Title 2 of the Government Code.

All interest or other increment resulting from such investment or deposit shall be deposited in the fund, notwithstanding Section 16305.7 of the Government Code. Moneys in the fund shall not be subject to transfer to any other fund pursuant to any provision of Part 2 (commencing with Section 16300) of Division 4 of Title 2 of the Government Code, excepting the Surplus Money Investment Fund.

51004. The agency is authorized to utilize such moneys as may be appropriated to the fund from time to time by the Legislature for effectuating its purposes, including, but not limited to, the payment of the initial expenses of administration and operation, the establishment of reserves or contingency funds to be available for payments on the principal, interest, redemption premium, and sinking funds of any bonds of the agency and the direct payment of principal, interest, redemption premium, and sinking funds on the bonds of the agency.

51005. The agency shall, within 90 days following the close of each fiscal year, submit an annual report of its activities under this division for the preceding year to the Governor, the Secretary of the Business and Transportation Agency, the Director of Housing and Community Development, the State Treasurer, and the Legislature Within 90 days following the close of each fiscal year, the agency shall also submit an annual report to the Joint Legislative Audit Committee and the Joint Legislative Budget Committee. Each such report shall set forth a complete operating and financial statement of the agency during the concluded fiscal year. The report shall specify the number of units assisted, the distribution of units among the metropolitan, nonmetropolitan, and rural areas of the state, and shall contain a summary of statistical data relative to the incomes of households occupying assisted units, the monthly rentals charged to occupants of rental housing developments, and the sales prices of housing developments purchased during the previous fiscal year by housing sponsors who are persons or families of low or moderate income. The report shall also include a statement of accomplishment during the previous year with respect to the agency's progress, priorities, and affirmative action efforts. The agency shall specifically include in its report on affirmative action goals, statistical data on the numbers and percentages of minority sponsors, developers, contractors, subcontractors, suppliers, architects, engineers, attorneys, mortgage bankers or other lenders, insurance agents and

managing agents. The agency shall cause an audit of its books and accounts with respect to its activities under this division to be made at least once during each fiscal year by an independent certified public accountant and the agency shall be subject to audit by the Department of Finance not more often than once each fiscal year.

Within 90 days following receipt of the agency's annual report, the Joint Legislative Audit Committee and the Joint Legislative Budget Committee shall submit a report on the agency's activities under this division to the Legislature.

51006. The president of the agency shall immediately certify in writing to the Joint Legislative Audit Committee, the Joint Legislative Budget Committee, the Speaker of the Assembly, the Senate Rules Committee, and the Governor, if the agency is notified by the trustee in writing that moneys of the agency will not be sufficient to meet principal payments, sinking fund payments, and interest payments on bonds authorized under Chapter 7 (commencing with Section 51350) of this part and to restore and maintain the bond reserve funds provided for in Section 51366; provided, however, that no such certification need be made unless such insufficiency will result in an event of default under the respective bond resolution authorizing such bonds.

51007. Subject to any agreements with holders of particular bonds, all moneys available for carrying out the purposes of this part and declared by the agency to be surplus moneys which are not required to service or retire bonds issued on behalf of the agency, pay administrative expenses of the agency, accumulate necessary operating or loss reserves, or repay loans to the agency from the General Fund shall be used by the agency, with respect to existing housing developments, to provide special interest reduction programs, financial assistance for housing developments or subsidies for occupants or owners thereof, or counseling programs, as authorized by this division.

CHAPTER 4. GENERAL POWERS

51050. The agency shall have all of the following powers:

(a) To sue and be sued in its own name.

(b) To have an official seal and to alter the same at pleasure.

(c) To have perpetual succession.

(d) To maintain offices at such place or places within the state as it may designate.

(e) To adopt, and from time to time amend and repeal, by action of the board, rules and regulations, not inconsistent with the provisions of this part, to carry into effect the powers and purposes of the agency and the conduct of its business. Rules and regulations of the agency shall be adopted, amended, repealed, and published in accordance with the provisions of Chapter 4.5 (commencing with Section 11371) of Part 1 of Division 3 of Title 2 of the Government Code. With respect to regulations in areas specified in Section 50462,

the agency may propose regulations, but such regulations shall become effective only upon concurrence of the Secretary of the Business and Transportation Agency, or his designated representative, or the Director of Housing and Community Development.

(f) To make and execute contracts and all other instruments necessary or convenient for the exercise of its powers and functions under this part with any governmental agency, private corporation or other entity, or individual, and to contract with any local public entity for processing of any aspect of financing housing developments.

(g) To acquire real or personal property, or any interest therein, on either a temporary or long-term basis in its own name by gift, purchase, transfer, foreclosure, lease, option, or otherwise, including easements or other incorporeal rights in property.

(h) To hold, sell, assign, lease, encumber, mortgage, or otherwise dispose of any real or personal property or any interest therein; to hold, sell, assign, or otherwise dispose of any mortgage interest owned by it, under its control or custody, or in its possession; and, as applicable, to do any of the acts specified in this subdivision by public or private sale, with or without public bidding, notwithstanding any other provision of law.

(i) To release or relinquish any right, title, claim, lien, interest, easement, or demand however acquired, including any equity or right of redemption in real property foreclosed by it.

(j) To determine the terms and conditions of any mortgage instrument, deed of trust, or promissory note used or executed in conjunction with the financing of any housing development.

(k) To employ architects, engineers, attorneys, accountants, housing construction and financial experts, and such other advisers, consultants, and agents as may be necessary in its judgment and to fix their compensation.

(*l*) To provide advice, technical information, and consultative and technical service in connection with the financing of housing developments pursuant to this part.

(m) To procure insurance against any loss in connection with its property and other assets, including mortgages and mortgage loans, in such amounts and from such insurers as it deems desirable.

(n) To establish, revise from time to time, and charge and collect fees and charges in connection with loans made by the agency.

(o) To borrow money and issue bonds, as provided in this part.

(p) To enter such agreements and perform such acts as are necessary to obtain federal housing subsidies for use in connection with housing developments.

(q) To provide bilingual staff in connection with services of the department and make available agency publications in a language, other than English, where necessary to effectively serve all groups for which such services or publications are made available.

(r) To require any individual, corporation, or other legal entity

operating, managing, or providing maintenance services for a housing development or a residential structure to maintain a current certificate of qualification developed and approved by the agency.

(s) To do any and all things necessary to carry out its purposes and exercise the powers expressly granted by this part.

51051. The agency shall be a state representative for purposes of receiving and allocating financial aid and contributions from agencies of the federal government which are provided to the state or to the agency for the purpose of subsidizing housing for persons and families of low or moderate income and may utilize federal subsidies available to it in providing housing for persons and families of low or moderate income or for exercising any other of its powers. The agency shall have priority among all other units of state government for receipt of federal housing subsidies to the extent units financed under this part are eligible for such assistance.

51052. The agency may enter into agreements to provide staffing for the Farmers Home Administration of the United States Department of Agriculture in the conduct of federal loan, loan-guarantee, and grant programs for the provision of housing for persons and families of low or moderate income in this state. Staffing under this section shall not be paid for out of proceeds from the sale of bonds.

51053. The agency may make and execute contracts with qualified mortgage lenders for the initiation or servicing of mortgage loans, construction loans, neighborhood improvement loans, or development loans made or acquired by the agency pursuant to this part or for other services rendered to the agency. The agency may pay the reasonable value of services rendered to the agency pursuant to such contracts.

51054. The agency may make or undertake commitments to make development loans, construction loans, mortgage loans, and neighborhood improvement loans to housing sponsors to finance housing developments, as provided in Chapter 5 (commencing with Section 51100) of this part.

The agency may, in conjunction with a construction loan, set aside a reserve to provide improvement security required under subdivision (c) of Section 66462 and Chapter 5 (commencing with Section 66499) of Division 2 of Title 7 of the Government Code, which shall be in lieu of improvement security otherwise required by such provisions.

51055. The agency may purchase and sell construction loans, mortgage loans, neighborhood improvement loans, obligations secured by such loans, and participation therein.

51056. Construction loans, mortgage loans, and neighborhood improvement loans made, purchased, assigned or serving as security for obligations or participations pursuant to this part shall be limited as to charges, interest, maximum loan amount, and maximum appraised value pursuant to regulations of the agency, which shall be consistent with the purposes of this part.

51057. Prior to the commitment of moneys under this part for the financing of a housing development as provided in Articles 1 to 4 inclusive, of Chapter 5 (commencing with Section 51100) of this part, the agency shall take adequate measures to assure (a) the economic feasibility of the housing development, (b) the financial eligibility of the housing sponsors and tenants, (c) the consistency of the proposed housing development with the current housing objectives of the agency, (d) the sufficiency of access of the housing development to supporting social services, transportation, schools, employment, and retail merchants, and (e) that the location of the proposed housing development is consistent with the agency's policies of dispersing housing developments throughout communities and of avoiding undue concentration of persons and families of low income. Wherever possible, the agency shall verify such facts before financing is committed.

In providing for dispersal of housing developments, the agency shall consider economic feasibility, which shall be determined in light of all relevant factors, including the assistance programs and funds which could be utilized to reduce costs. Nothing in this section shall prohibit the agency from financing housing developments in neighborhood preservation areas in a manner that would otherwise be in conflict with the agency's policies respecting dispersal of housing developments or concentration of persons and families of low income, where necessary to accomplish the purposes for which financing or loan insurance is made available by the agency in such an area.

51058. (a) The agency may renegotiate, refinance, foreclose, or contract for the foreclosure of, any mortgage in default and may waive any default or consent to the modification of the terms of any mortgage. With respect to housing developments, the agency shall require that mortgage servicing and foreclosure practices, including forbearance and recasting of mortgages in default, conform to agency regulations.

(b) The agency may commence any action to protect or enforce any right conferred upon it by any law, mortgage, contract, or other agreement and may bid for and purchase property sold in satisfaction thereof at any foreclosure or other sale or may otherwise acquire and take possession of such property. Subject to any agreement with bondholders, the agency may operate, manage, lease, dispose of, and otherwise deal with such property in such manner as may be necessary to protect the interest of the agency and the holders of its bonds.

51059. The agency may procure insurance or coinsurance or guarantees from the federal government or from any governmental agency or instrumentality thereof, or from any private insurance company, of the payment of principal, redemption price of, and interest on any bonds issued by the agency. The agency may pay premiums on any such insurance.

51060. The agency may, for services performed, charge and collect

from housing sponsors and qualified mortgage lenders such fees and charges for the purpose of defraying administrative and other expenses as the agency may establish from time to time for its lending and mortgage-purchase programs.

51061. The agency may sell or convey real property owned by the agency to persons and families of low or moderate income, nonprofit housing sponsors, and local public entities. Such sale or conveyance may be without consideration if the agency received the property upon condition that it be so conveyed or sold and if such sale or conveyance will inure primarily to the benefit of persons and families of low or moderate income living in a housing development.

51062. The agency shall establish criteria for housing sponsors and qualified mortage lenders, which shall be designed to assure the financial integrity of programs authorized by this division and which shall provide for effective implementation of the policies and purposes set forth in this part. The criteria shall take into account the differences between private and public institutions qualifying as housing sponsors and qualified mortgage lenders.

51063. Relocation payments shall be made to persons and families of low or moderate income who are tenants displaced because of temporary or permanent displacement for rehabilitation work assisted under this part, or rent increases resulting from rehabilitation, pursuant to the Uniform Relocation and Real Property Acquisition Policies Act of 1970 (42 U.S.C., Sec. 4601) or Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 of the Government Code. Notwithstanding the provisions of this section, moderate-income persons and families who decide against occupying the rehabilitated housing shall not continue to receive relocation payments.

The agency shall also ensure that the relocation payments and the relocation advisory assistance specified therein shall be provided. Pursuant to the provisions of this section, the agency shall ensure relocation payments are provided to persons and families involuntarily displaced in making a site or structure available for rehabilitation or construction financed under this part, or in the alternative may require the housing sponsor receiving a loan commitment pursuant to this part to make such payments and provide such assistance, whether such displacement has occurred in anticipation of the loan commitment or will occur subsequent thereto.

For purposes of this section, displacement includes relocation occurring because of a qualified person or family's inability to pay increased rentals resulting from rehabilitation, or involuntary temporary or permanent displacement of a qualified person or family to allow rehabilitation work to be done.

51064. The agency shall establish maximum sale prices for the initial sale of housing developments, the acquisition, construction, or rehabilitation of which is financed by the agency in anticipation of sale to persons and families of low or moderate income. The agency

shall also establish a price for any owner-occupied housing development whenever the buyer of such housing development receives a mortgage loan from the agency. The maximum sale prices established by the agency pursuant to this section may provide a reasonable profit to the seller while serving the purposes of this division.

51065. The agency may make grants to nonprofit housing sponsors and local public entities to meet expenses incurred in planning, constructing, rehabilitating, or managing housing developments. The agency may make grants to housing sponsors for the purpose of lowering the rents or cooperative housing charges on some or all of the units within a housing development. Grants authorized by this section shall not be made with proceeds from the sale of bonds.

51066. The agency shall establish a grievance procedure or require housing sponsors to establish such a procedure, or both, for the purpose of resolving complaints by housing sponsors and tenants of housing sponsors and contractual disputes between two or more housing sponsors or between a housing sponsor and a tenant of such housing sponsor. Notwithstanding any other provision of law, no individual or family shall be evicted from a housing development unless the following requirements are met:

(a) The eviction is for good cause as defined by rules and regulations of the agency

(b) Eviction proceedings shall be commenced by the giving of notice as required by Section 1946 of the Civil Code or Section 1161 or 1161a of the Code of Civil Procedure and served as provided by Section 1162 of the Code of Civil Procedure. Such notice shall contain a statement of the cause for eviction and of the right of the tenant to a hearing and decision pursuant to regulations of the agency if a request for such a hearing is made to the landlord in writing within the period specified in Section 1946 of the Civil Code or Section 1161 of the Code of Civil Procedure, as the case may be.

(c) When the tenant so requests the landlord in writing within the period specified in Section 1946 of the Civil Code or Section 1161 of the Code of Civil Procedure, as the case may be, a hearing, in accordance with procedures established pursuant to regulations of the agency, shall be held by an impartial individual or panel selected or approved by the agency and a decision rendered within two weeks after receipt by the landlord of the tenant's written request for a hearing. Good cause for eviction shall be established at the hearing by the weight of the evidence. Before a right to a hearing vests, the tenant must pay rent for the two-week hearing period to the owner or to an escrow account of the agency, if not already paid.

A defendant in an unlawful detainer proceeding may assert as a defense the failure of the plaintiff or the agency to comply with the requirements of this section or regulations adopted pursuant to this section. A defendant in such a proceeding may assert as a defense that the findings at the hearing were not supported by the weight of evidence.

The costs of any hearing conducted pursuant to this section shall be assessed to, and paid by, the losing party as provided in regulations of the agency. If neither party prevails, the costs of the hearing shall be equitably apportioned.

51067. The agency shall adopt standards for the admission of tenants, termination of tenancies, and eligibility of purchasers of housing financed under this part as well as standards establishing maximum percentages of income which a tenant or purchaser may allocate to housing costs, which shall provide consideration for proven ability in individual cases to pay what would otherwise be an unusually high percentage of income for housing costs.

51068. Prior to authorizing a mortgage loan under Chapter 5 (commencing with Section 51100) of this part or a mortgage loan under Chapter 6 (commencing with Section 51300) of this part, if the loan under either such chapter is for the purchase of an owner-occupied housing development, the agency shall:

(a) Require an appraisal of the housing development be done by a competent and experienced appraiser.

(b) Establish a maximum sale price for the housing development pursuant to Section 51064, not in excess of appraised value.

(c) Require that the housing development be either newly constructed, recently rehabilitated, subject to an agreement where the borrower has agreed to conform to rehabilitation standards within a time and in a manner specified by the agency, or certified by the local code enforcement agency or the department to be in good condition.

(d) Require that the purchaser intend to occupy the housing development.

(e) Require that the loan bear below-market interest, except as otherwise provided in Chapter 6 (commencing with Section 51300) of this part.

(f) Require, notwithstanding Section 1916.5 of the Civil Code, that a mortgage payment schedule at market interest be substituted for an original payment schedule at below-market interest, when the borrower or a subsequent purchaser ceases to be a person or family of low or moderate income, and that additional payments of interest resulting therefrom be forwarded to the agency. The agency may waive the requirement of this subdivision when necessary to permit participation in mortgage insurance, guarantee, or purchase programs, or when this provision would interfere with the financial structuring or the administration of any bond financing program.

51069. The agency, after approving an application for a mutual self-help housing project, may make development loans and construction loans for land acquisition and development costs to eligible housing sponsors on such terms and conditions and in such amounts as it deems necessary to accomplish the purposes of this part. Such development loans and construction loans may be interest free if sufficient surplus funds exist for such purpose and such loans can be made without jeopardizing the financial self-sufficiency of the

agency or the adequacy of its reserves. Land acquired and housing developments financed pursuant to this section shall be sold or conveyed to eligible housing sponsors or for the purpose of developing other mutual self-help housing.

In making loans pursuant to this section, the agency, as an alternative to disbursing such loans directly to eligible housing sponsors or persons and families of low or moderate income, may establish procedures retaining such loans or portions thereof, and disburse such amounts directly to the person or entity performing a service, or providing goods, material, land or improvements.

51070. The agency, by regulation, shall also assure that qualified mortgage lenders do not substitute funds made available under this part for the lenders' own resources, without permission of the agency. Qualified mortgage lenders may provide financing under this part until the agency makes a finding that the lender is in violation of this section or decertifies the lender pursuant to Section 50094.

CHAPTER 5. FINANCING OF HOUSING DEVELOPMENTS

Article 1. Loans for Housing Developments

51100. Subject to the limitations prescribed by Article 4 (commencing with Section 51175) of this chapter, the agency may make, or undertake commitments to make, development loans, construction loans, mortgage loans, and advances in anticipation of such loans to housing sponsors to finance housing developments.

51101. The agency shall make and publish rules and regulations respecting the making of development loans, construction loans, and mortgage loans pursuant to this part, the terms and conditions upon which such loans may be made to housing sponsors, the admission of tenants to a housing development, the inclusion of nonhousing facilities in housing developments, the construction of nonhousing facilities, and supervision of housing sponsors, including housing sponsors owning and occupying a housing development. Such regulations shall require, where a financing commitment is made for construction of housing to be purchased by persons and families of low or moderate income, that construction will be undertaken in an economical manner, providing the buyer with an attractive home.

51102. The agency shall enter into regulatory contracts and other agreements with housing sponsors receiving loans under the provisions of this part.

Article 2. Loans Through Intermediary Lenders and Mortgage Purchase and Sale

51125. The agency may invest in, purchase, or make commitments to purchase, and take assignments from qualified mortgage lenders of, construction loans, mortgage loans, obligations secured by

construction loans or mortgage loans, and participations therein for financing or refinancing of housing developments.

Such construction loans, mortgage loans, obligations secured by construction loans or mortgage loans, or participation therein may be held or sold by the agency, or the agency may create pools of such loans, obligations, and participations held by the agency and may sell securities backed by such pools.

51126. The agency may invest in, purchase, or make commitments to purchase any residential mortgage or any obligation secured by a residential mortgage or participation therein, and sell such obligations, residential mortgages, or participations or create pools of such obligations, residential mortgages, or participations held by the agency and issue and sell securities backed by such pools. The agency shall require the seller of such obligations, residential mortgages, or participations purchased by the agency to use the proceeds for the purpose of financing housing developments.

51127. The agency may insure or guarantee any obligation held by the agency and secured by a mortgage on a single-unit housing development for the purpose of increasing its acceptability or value for sale or as security for other obligations. Nothing in this section shall, however, be construed as authorizing the creation of a debt or liability of the state within the meaning of Section 1 of Article XVI of the State Constitution.

51128. Sales of mortgage obligations and securities pursuant to this article may be made at public or private sale, with or without public bidding, whether directly or through a contract with a private marketing intermediary.

Article 3. Loans to Qualified Mortgage Lenders

51150. The agency may make loans to qualified mortgage lenders under terms and conditions requiring the proceeds thereof to be used by such mortgage lenders for the purpose of making construction loans and mortgage loans for the purpose of financing housing developments.

51151. Mortgage loans shall not be made under this article unless the agency determines that type of loan can be made at a lower cost to a housing sponsor than is available for the same type of loan made under the provisions of Article 1 (commencing with Section 51100), Article 2 (commencing with Section 51125) or Article 4 (commencing with Section 51175) of this chapter.

51152. Loans shall not be made by the agency to a qualified mortgage lender under the provisions of this article, except pursuant to an agreement between the agency and the qualified mortgage lender. Such agreements shall include the following:

(a) A maximum interest rate that can be charged for construction loans or mortgage loans.

(b) A recital of the requirements of loans for housing developments authorized by this part.

(c) Standards for mortgage servicing and foreclosure practices, including programs of forbearance and recasting for mortgages in default.

51153. In connection with loans made pursuant to this article, the agency may collect, enforce the collection of, and foreclose on any collateral securing the loans and may acquire or take possession of such collateral and sell the same at public or private sale, with or without public bidding, and otherwise deal with such collateral as may be necessary to protect the interest of the agency therein. The exercise of the powers specified in this subdivision shall be subject to any agreements with bondholders.

With respect to deposit of moneys in the fund pursuant to this section, the agency may require that any collateral provided on account thereof be lodged with a financial institution or trust company located in the state designated by the agency as custodian therefor. In the absence of such requirement the financial institution shall, if collateral is to be provided for the loan or securities purchased, upon receipt of the proceeds from the agency, enter into an agreement with the agency containing such provisions as the agency shall deem necessary to adequately identify and maintain such collateral and service the same and shall provide that such financial institution shall hold such collateral as an agent for the agency and shall be held accountable as the trustee of an express trust for the application and disposition thereof and the income therefrom solely to the uses and purposes in accordance with the provisions of such agreement. A copy of each such agreement and any revisions or supplements thereto shall be filed with the Secretary of State and no further filing or other action under the California Uniform Commercial Code or any other law of the state shall be required to perfect the security interest of the agency in such collateral or any additions thereto or substitutions therefor, and the lien and trust for the benefit of the agency so created shall be binding from and after the time made against all parties having claims of any kind in tort, contract, or otherwise against such financial institution.

Article 4. Lender of Last Resort

51175. Except as provided in this article, the agency shall not make construction loans or mortgage loans for the purpose of financing owner-occupied housing developments unless such loans are made through a qualified mortgage lender.

51176. In rural mortgage areas the agency may make and undertake commitments to make construction loans and mortgage loans to finance owner-occupied housing developments without the participation of a qualified mortgage lender if no qualified mortgage lender will participate in financing such housing developments as provided in Article 2 (commencing with Section 51125) or Article 3 (commencing with Section 51150) of this chapter, or if the board determines that the agency can initiate or service loans directly at

less cost than through use of a qualified mortgage lender.

51177. The agency may make and undertake commitments to make construction loans and mortgage loans to finance owner-occupied housing developments without the participation of a qualified mortgage lender where the income of the owner-occupant is no greater than 65 percent of the median income for the area in which the housing development is located as determined by the United States Department of Housing and Urban Development or by the agency's reference to current data of the U.S. Census Bureau. The income at 65 percent of median shall be based on a family of four with adjustments above and below such maximum to compensate for family size.

Article 5. Supervision of Housing Sponsors

51200. With respect to each class of housing sponsor as defined by the agency, the agency shall do the following:

(a) Prescribe uniform systems of accounts and records for each class of housing sponsors of rental and cooperative housing developments and require them to make reports and give answers to specific questions on such forms and at such times as may be necessary for the purposes of this part.

(b) Establish minimum reserves to be maintained by nonprofit and limited-dividend housing sponsors of rental and cooperative housing developments.

(c) Fix and alter from time to time a schedule of rents such as may be necessary to provide tenants who are persons and families of low or moderate income with affordable rents to the extent consistent with the maintenance of the financial integrity of the housing development and to provide profits to housing sponsors subject to the limitations of Section 51202. Income from commercial facilities constituting a portion of a single housing development financed pursuant to this part shall, to the extent they receive the benefit of below-market-interest financing from the agency, assist in the support of appurtenant residential facilities. No housing sponsor shall increase the rent charged on any assisted rental unit of a housing development without the prior permission of the agency, which shall be given only if the housing sponsor affirmatively demonstrates that such increase is required to defray necessary operating costs or avoid jeopardizing the fiscal integrity of the housing development or to provide the agreed rate of return with respect to additional equity money contributed by investors pursuant to Section 51202, and additional debt service and necessary operating costs with respect to increases in mortgage loans for improvements to the housing development deemed necessary by the agency.

Applications to the agency for permission to adjust rents shall include a statement of the existing and proposed rent for each unit, a detailed statement of the necessity and authority for the increase under this subdivision, and the extent to which rent increases would

be paid by tenants in assisted units and not offset by increased subsidy payments. Prior notice of any rent increase shall be given in writing as required by Section 1946 of the Civil Code. Prior to the time any rent increase is effective the housing sponsor shall notify every affected tenant, in writing, of informal meetings with the housing sponsor to review the proposed rent increase and that each tenant, upon request, will be provided the information submitted to the agency under this subdivision.

(d) Determine standards for, and control selection by housing sponsors of, tenants and purchasers.

(e) Regulate the terms of occupancy agreements to be used in housing financed under this chapter.

(f) Provide such bilingual services and publications, or require housing sponsors to provide such bilingual services and publications, as are necessary to ensure informed access to housing financed pursuant to this part for persons and families of low or moderate income who have limited fluency in the English language.

51201. The agency may do any of the following with respect to housing sponsors of rental and cooperative housing financed pursuant to this part.

(a) Through its agents or employees, enter upon and inspect the lands, buildings, and equipment of a housing sponsor, including all parts thereof, and examine the books and records of a housing sponsor. However, there shall be no entry or inspection of occupied units without consent of the occupant.

(b) Supervise the operation and maintenance of any housing financed pursuant to this part and order such repairs as may be necessary to protect the public interest or the health, safety, or welfare of occupants of the housing.

(c) Require any housing sponsor to pay to the agency such fees as it may prescribe to defray its costs incurred in connection with the examination, inspection, supervision, auditing, or other regulation of the housing sponsor.

(d) Regulate the retirement of any capital investments or the redemption of stock or the distribution of any equity interest in any housing sponsor.

(e) Order any housing sponsor to do, or to refrain from doing, any act, as may be necessary to comply with the provisions of state, federal, or local laws, the rules and regulations of the agency, or the terms of any contract between the agency and the housing sponsor.

(f) Withhold the transfer of construction payments to a housing sponsor pending adequate performance, as determined by the agency, of any acts required of such housing sponsor pursuant to the provisions of this division or pursuant to any agreement by and between the agency and such housing sponsor.

51202. Every housing sponsor of a rental or cooperative housing development which receives a construction loan or mortgage loan or a grant pursuant to this part shall enter into an agreement with the agency providing for the regulation of the disposition of property

and the limitation of profit. Any housing sponsor of a rental housing development receiving a mortgage loan pursuant to this part, other than a nonprofit housing sponsor or local public entity, shall enter into an agreement including limitation of earnings distribution to an annual amount no greater than 6 percent of the equity invested in the housing development, unless a higher limitation on earnings distribution is otherwise provided by rules and regulations of the agency.

The agency may permit a distribution greater than 6 percent to investors contributing additional equity money to an existing housing development, or in the case of a housing development over which the agency has assumed managerial and financial control pursuant to Section 51203, or in any case where it would materially contribute to meeting the policies or goals of this division.

51203. Upon making a determination that the financial status of a rental or cooperative housing development is such as to jeopardize any economic interest of the agency in such housing development, the agency may assume managerial and financial control of the housing sponsor and may supervise and prescribe the activities of the housing sponsor in such manner and under such terms and conditions as the agency may stipulate in any contract with the housing sponsor. Such control may be exercised through appointment by the agency to the governing body of such housing sponsor of a number of new members sufficient to constitute a voting majority of the governing body thereof, notwithstanding the provisions of the articles of incorporation or other documents of organization of the housing sponsor.

51204. The agency may prescribe regulations specifying the categories of cost which shall be allowable in the construction or rehabilitation of a housing development. The agency may require any housing sponsor to certify the development costs upon completion of the housing development. Such certification of development costs shall be subject to audit and verification by the agency.

51205. The agency may institute any action or proceeding pursuant to applicable provisions of law against any housing sponsor receiving or assuming a loan under the provisions of this part in any court of competent jurisdiction in order to enforce the provisions of this part or the terms and provisions of any contract between the agency and such housing sponsor, to foreclose its mortgage, or to otherwise protect the public interest or the occupants of the housing development. Where necessary to protect the interests of the agency, it may, in connection with any such action or proceeding, apply to the court for the appointment of a receiver to take over, manage, operate, and maintain the affairs of the housing sponsor of a rental or cooperative housing development. No receiver shall be appointed unless approved by the agency.

In the event of the reorganization of any housing sponsor, to the extent permitted by law, such reorganization shall be subject to the

supervision and control of the agency and no such reorganization shall be effected without the prior written consent of the agency. The agency may provide in its loan agreements that, in the event of a judgment against any housing sponsor in any action to which the agency is not a party, there shall be no sale of the housing development or any portion thereof, except upon 60 days' written notice to the agency. Upon receipt of such notice, the agency or Attorney General shall take such steps as in its judgment may be necessary to protect the rights of all parties.

51206. Whenever a housing sponsor of a rental or cooperative housing development accumulates an earned surplus greater than such operating and replacement reserves as the agency may require, that surplus shall be used to reduce rents within the housing development to a level at which no person or family of low or moderate income occupying the housing development pays more than the affordable rent. Whenever a housing sponsor of a rental or cooperative housing development accumulates an earned surplus greater than such operating and replacement reserves as the agency may require and no person or family of low or moderate income occupying the housing development pays more than the affordable rent, then such surplus shall be transferred to the agency for use in lowering the rents for persons and families of low or moderate income in other housing developments to a level no greater than the affordable rents.

51207. A housing sponsor that is a person or family of low or moderate income shall not receive financial assistance under this part if such person or family has already received assistance under this part for purchase of other real property, unless such property is sold or transferred for good cause as determined by the agency.

Article 6. Priorities

51225. In selecting proposals for financing, the agency shall give priority consideration to the needs of identifiable groups within the state, as identified by the California Statewide Housing Plan. Such groups may include, but need not be limited to the elderly and the handicapped, large households, and persons and families displaced by governmental action or natural disaster. The agency shall also consider rural areas, areas in which new construction is needed, areas in which rehabilitation is needed, and areas of credit shortage where financing is needed for the purchase of existing housing in order to maximize the impact of the agency's financial activities on employment, reduction of housing costs, and maintenance of local economic activity. The agency shall balance its activity between metropolitan, nonmetropolitan, and rural areas of the state in general proportion to the needs identified in the Statewide Housing Plan. The agency may also give priority consideration to, and reserve funds for use in connection with, large urban revitalization programs.

In order to facilitate implementation of local housing allocation plans, the agency may contract with a local public entity to reserve a portion of available credit and subsidy assistance for that area for one year. Such contracts may be renewed annually by mutual agreement.

51226. (a) Subject to the availability of adequate subsidies, not less than 30 percent of the combined total units financed by mortgage loans and neighborhood improvement loans pursuant to this part during each fiscal year shall be made available on a priority basis to very low income households. Subject to the availability of adequate subsidies, not less than 20 percent of the units in each housing development shall be made available on a priority basis to very low income households, except that such requirement shall not apply to housing developments of less than 12 units where the agency finds it is not necessary to make units available in the development for very low income households to meet the requirement of making 30 percent of total units available to very low income households. Units required to be made available on a priority basis pursuant to this section, shall be offered exclusively to those within the priority group unless or until the agency permits the unit to be offered to other potential occupant groups.

(b) The agency shall actively and aggressively pursue all available federal housing programs and utilize fully all available subsidies in order to achieve the purposes of this section.

51227. At the close of each fiscal year the agency shall ascertain that not less than 25 percent of the total units financed during the preceding 12 months pursuant to this part were made available to very low income households. At the close of each fiscal year the agency shall ascertain that not less than 25 percent of all units financed pursuant to this part by mortgage loans or neighborhood improvement loans are occupied or available to very low income households. If the agency finds that said very low income occupancy goals have not been met the agency shall immediately notify the Governor, the Speaker of the Assembly, and the Senate Rules Committee and shall recommend such legislation or other action as may be required to make (a) at least 25 percent of the units so available, and (b) at least 25 percent of the units thereafter financed so available.

51228. At the time a mortgage loan commitment is made to finance any rental housing development, a written agreement between the agency and housing sponsor shall be executed, designating the number of units to be made available on a priority basis within such housing development to very low income households, to persons and families of low or moderate income, and to other households. If the number of units occupied by very low income households in any housing development ever falls below the number agreed to by the agency and housing sponsor, then units which become available for occupancy shall, subject to available subsidies be made available on a priority basis to very low income households until the number of

units so occupied equals at least the number specified in the agreement. The agency may from time to time review agreements designating the allocation of units and, subject to agreement with the housing sponsor, may increase the number of units to be made available to very low income households if consistent with maintenance of the financial integrity of the housing development and continuance of permitted earnings distributions, or may establish minimum rents or minimum incomes for occupancy of units becoming vacant and not otherwise allocated to very low income households if necessary to the financial integrity of the housing development and continuance of permitted earnings distributions.

51229. Nothing in this part, including Section 50951, shall require the agency to allocate more than 25 percent of the units in any single housing development to very low income households, except housing designed for occupancy by elderly or handicapped households or housing developments of 12 units or less, with respect to which the board finds it necessary for the purposes of this division that such proportion be exceeded.

51230. Not less than 30 percent nor more than 40 percent of the units financed by the agency during each fiscal year for very low income households shall be designed specifically for occupancy by elderly or handicapped persons. The agency shall in each fiscal year, finance at least that number of rental units designed for occupancy and accessibility by persons with orthopedic disabilities necessary to make such units equal to the same percentage relationship to the total number of rental units as such persons comprise when compared to the total population of the state. The percentage shall only, however, relate to those persons qualified by income and the percentage relationship shall be verified according to submarket areas within the state.

51231. The agency shall assist housing sponsors in obtaining subsidies. In selecting housing to be given assistance under this division, the agency shall give priority to those which are able to obtain subsidies but cannot obtain alternative financing in order to utilize such subsidies. The agency shall make every effort to obtain subsidy funds and nothing in this division shall preclude the agency from meeting the eligibility requirements for obtaining federal housing subsidy allocations.

51232. To implement the purposes of this division, the agency shall develop or require housing sponsors to develop, pursuant to regulations of the agency, resident selection plans for housing developments, which shall provide that preference be given to households displaced by a housing development, public action, or natural disaster. Such plans shall include criteria for resident selection, which shall establish income limits for residents, and may include a counseling program designed to promote the financial success of the housing development or the health, safety, and welfare of residents of the housing development. The agency may make

participation in such a counseling program a condition or precondition of occupancy of a housing development. The agency may develop or require housing sponsors to develop, pursuant to regulations of the agency, resident selection plans for large urban revitalization programs which recognize a need to attract a full range of income groups for housing developments in central-city areas.

Article 7. State and Local Cooperation

51250. The agency may, in connection with a housing development, arrange or contract with a local public entity (1) for the planning, replanning, opening, grading, or closing of streets, roads, roadways, alleys or other places, (2) for the furnishing of utilities or any community, municipal or public facilities or services, (3) for the acquisition by a local public entity of property or property rights, or (4) for the furnishing of property or services. Any local public entity may, upon finding that a public purpose is served thereby, enter into such contractual agreements with the agency and do all things necessary to carry out its obligations.

51251. Notwithstanding any other provision of law, the Department of General Services, any other state agency or officer authorized by law to convey real property of the state, and any local public entity may, in his or its discretion, from time to time sell, lease for a term not exceeding 99 years, grant, or convey to the agency or to a housing sponsor designated by the agency any real property and appurtenances thereto or any interest therein owned by the state or local public entity which the agency shall certify as necessary for its purposes. Such certification of need shall be evidenced by a formal request from the president of the agency. Any such sale, lease, grant, or conveyance shall be made with or without consideration and upon such terms and conditions as may be mutually agreed upon by the state or local public entity and the agency. However, before any such sale, lease, grant, or conveyance is made at less than fair market value, the agency shall make a finding that the difference between the consideration required and fair market value will inure primarily to the benefit of persons and families of low or moderate income living in a housing development or a residential structure.

51252. (a) Upon application to the department, any city, county, city and county, or combination thereof acting jointly, or the duly constituted governing body of an Indian reservation or rancheria shall be certified as a local housing agent by the department if the department determines that the applicant meets the criteria specified in subdivision (b). If a local housing agent consists of more than one city, county, or city and county, each such entity shall individually meet the criteria of subdivision (b). All applications of prospective housing sponsors for loans or grants authorized by this part for housing developments or neighborhood improvement loans shall be reviewed by the local housing agent, if any, for the area in which the housing development or neighborhood improvement loan

is to be financed. The local housing agent shall approve an application for a loan or grant for a housing development or a neighborhood improvement loan unless it expressly finds that the application does not meet one or more of the following criteria:

(1) The proposed housing development conforms with a housing element that meets the requirements of subdivision (b).

(2) The proposed housing development is consistent with the provision of a full range of housing opportunities within the jurisdiction of the local housing agent.

(3) The proposed housing development would be in compliance with applicable federal, state, and local laws, including laws prohibiting discrimination in housing.

An application shall be deemed approved if the local housing agent fails to approve or reject it within 40 days following the date of submission.

(b) A local housing agent shall meet all of the following criteria:

(1) The local housing agent shall have adopted a housing element, as required by subdivision (c) of Section 65302 of the Government Code, and an affirmative housing plan, if required by Section 65008 of the Government Code. The housing element shall not conflict with any housing assistance plan submitted to the federal government as part of an application to obtain funds for community development or housing.

(2) The housing element of the local agency shall make adequate provision for all economic and racial segments of the community in new and rehabilitated housing throughout its jurisdiction.

(3) The local housing agent shall develop or specify a procedure, which shall be identified in its application to the agency, to expedite the processing of zoning changes, use permits, building permits, environmental clearance, and any other type of permit, approval, or clearance which may be required by the city, county, or city and county or by any other local public entity or governmental agency prior to construction or rehabilitation of a housing development.

(c) No housing development shall be assisted by a loan authorized by this part, unless the housing development has received the approval of both the local housing agent and the agency. This subdivision shall not be applicable to housing developments proposed for areas in which there is no local housing agent.

(d) A local housing agent may delegate the function specified in this section to any local public entity, with the approval of the agency.

(e) At any time a local housing agent ceases to meet the criteria specified in subdivision (b), the department may decertify the local housing agent. Certification of the local housing agent shall be reviewed annually by the department. Recertification shall not be granted if the department finds that, during the preceding year, the local housing agent has unreasonably denied approval of applications or has ceased to perform its functions under subdivision (a).

51253. To facilitate coordinated planning on an intergovernmental

basis, the agency shall provide an opportunity for review and comment by areawide clearinghouses under circular A-95 of the United States Office of Management and Budget. Subsequent amendments shall be reviewed to assure their conformity with the intent of this division. If such an areawide clearinghouse, within 30 days after receiving notification of a proposed housing development of over 25 units within its jurisdiction, notifies the agency that it disapproves of such housing development, the agency shall, prior to recordation of a loan to finance the housing development, provide to the areawide clearinghouse a written explanation of the board's reasons for proceeding despite such disapproval. No local agency shall be required to contribute money to be expended to pay the costs of the requirements of this section.

CHAPTER 6. NEIGHBORHOOD PRESERVATION

51300. This chapter empowers the agency to designate neighborhood preservation areas, and to enter into agreements with local agencies. It does not limit agency powers to provide construction loans and mortgage loans as provided in Chapter 5 (commencing with Section 51100) of this part.

51301. The agency shall, after public hearings, establish priorities for the allocation of financing assistance pursuant to this chapter among eligible areas and counties and cities throughout the state. In so doing, the agency shall take into account the following factors, to the extent applicable:

(a) The impact of financing assistance in upgrading substandard residential structures to decent, safe, and sanitary condition.

(b) The impact of financing assistance in stablilizing urban neighborhoods and preventing or arresting the process of deterioration.

(c) The impact of financing assistance in effectuating the efficient utilization of commitments of housing subsidies, thereby increasing housing opportunities for low and very low income households.

(d) The impact of financing assistance in complementing the local utilization of community development funds made available pursuant to Title 1 of the Housing and Community Development Act of 1974 (Public Law 93-383).

(e) The availability and feasibility of alternative means to achieve substantially the same results as financing assistance provided pursuant to this chapter.

51302. Upon application by a local agency supplying such supporting information and data as the agency may require, the agency may designate an area within a city or county as a concentrated rehabilitation area if it makes the following findings:

(a) The area was selected by the legislative body after citizen participation.

(b) The area is an area of substantial deterioration of residential structures, as evidenced by a significant number of older and

deteriorating residential structures in such area requiring rehabilitation.

(c) Rehabilitation assistance is necessary to enable and encourage residents in such area to cooperate in a local program of concentrated enforcement of rehabilitation standards.

(d) Rehabilitation of residential structures will arrest deterioration in the area.

(e) Rehabilitation of residential structures in the area is economically feasible.

(f) The local agency has offered to contract with the agency to (1) provide necessary supporting neighborhood public improvements and services, such as street improvements, landscaping and acquisition of open space, undergrounding of utility lines, and construction of drainage facilities in the area for which eligibility has been requested, and (2) provide concentrated and continuing enforcement of rehabilitation standards in such area.

(g) The local agency has agreed to make every effort to prevent unnecessary displacement in accomplishing rehabilitation and has an adequate program of relocation advisory assistance for persons unavoidably displaced due to rehabilitation.

(h) The supply of housing available to very low income households at affordable rents and the supply of housing available to other persons and families of low or moderate income at affordable rents will not be reduced within the area because those displaced will receive relocation payments and be able to obtain standard housing in the area. Alternatively, standard housing will be available at affordable rents in equally desirable neighborhoods, expanding the range of housing opportunities for minority and low-income persons.

(i) The local agency has adopted a housing element in compliance with Section 65302 of the Government Code, and with housing element guidelines, which sets forth an effective plan for systematic enforcement of state and local building and housing standards throughout its jurisdiction.

(j) The application is consistent with local housing assistance plans adopted pursuant to the Housing and Community Development Act of 1974 (Public Law 93-383).

(k) The local agency has satisfied such other pertinent criteria as the agency may by regulation require.

51303. Upon the application of a local agency supplying such supporting information and data as the agency may require, the agency may designate all or a portion of the territory subject to the jurisdiction of the local agency as a scattered-site rehabilitation area if it makes the following findings:

(a) The area was selected by the legislative body after citizen participation.

(b) The area is an area which is declining and contains some deterioration of residential structures, but deteriorating residential structures within the proposed area are not suitable for concentrated enforcement of rehabilitation standards because of their dispersed location.

(c) Enforcement of rehabilitation standards is necessary to effect preservation of such residential structures and would have the effect of improving stability and property values in the surrounding community.

(d) The housing element of the general plan adopted by the local agency pursuant to subdivision (c) of Section 65302 of the Government Code, sets forth an effective plan for citywide or countywide systematic enforcement of state or local housing standards.

(e) The legislative body has, by ordinance, adopted adequate procedures for identifying residential structures eligible for rehabilitation with financing or loan insurance assistance and, in connection therewith, priorities which will serve the purposes of this part while providing a program which is economically feasible.

(f) The local agency has offered to contract with the agency to (1) provide necessary supporting neighborhood public improvements and services, such as street improvements, landscaping and acquisition of open space, undergrounding of utility lines, and construction of drainage facilities in the area for which eligibility has been requested, and (2) provide systematic and continuing enforcement of state and local housing and building standards in such area.

(g) The local agency has agreed to make every effort to prevent unnecessary displacement in accomplishing rehabilitation and has an adequate program of relocation advisory assistance for persons unavoidably displaced due to rehabilitation.

(h) The local agency has satisfied such other pertinent criteria as the agency may by regulation require.

51304. The agency may designate a mortgage assistance area, after soliciting maximum feasible participation by community organizations, if it makes the following findings:

(a) It is an area (1) where deterioration has not progressed to the stage where there is a substantial number of residential structures which do not conform to rehabilitation standards, or (2) where a program of concentrated code enforcement has been conducted previously.

(b) There is a recent history of mortgage deficiency in the area.

(c) Agency activity in the area is likely to prevent or arrest deterioration in the area.

(d) Agency activity in the area is economically feasible.

(e) Agency activity in the area will inure primarily to the benefit of persons and families of low and moderate income.

(f) The area was selected by the legislative body after citizen participation.

(g) The local agency in which the area is located has given substantial assurances acceptable to the agency that it will provide those supporting neighborhood public improvements and services determined appropriate by the agency.

51305. Upon approval of an application for designation of an area as a concentrated rehabilitation area or a scattered-site rehabilitation area, the agency may, with respect to such area, do any one of the

following:

(a) Enter into an agreement with the applicant local agency or another local public entity for purchase by the agency of bonds and notes issued pursuant to Chapter 3 (commencing with Section 37930) of Part 13 of Division 24; or

(b) Enter into an agreement with the applicant local agency or another local public entity for a program of rehabilitation assistance as provided in Section 51306 or 51307, or both, to be administered by the local agency or other local public entity; or

(c) Enter into an agreement with the local agency for a program of rehabilitation assistance as provided in Section 51306 or 51307, or both, to be administered by the agency, except that the agency shall make mortgage loans only under the conditions of Chapter 5 (commencing with Section 51100).

In addition, or instead, the agency may provide loan insurance assistance in such areas, which may include insurance of loans provided pursuant to this chapter or of other loans or bonds as provided in Part 5 (commencing with Section 51600) of this division.

51306. Financing assistance for housing developments in concentrated rehabilitation areas and scattered-site rehabilitation areas may include any or all of the following types of loans:

(a) Development loans to prepare for rehabilitation.

(b) Mortgage loans for purchase of housing developments rehabilitated pursuant to rules and regulations of the agency.

(c) Construction loans for rehabilitation, or for rehabilitation with acquisition or refinancing.

(d) Mortgage loans for rehabilitation, or for rehabilitation with acquisition or refinancing, where the cost of acquisition and rehabilitation or the cost of rehabilitation without refinancing exceeds the financial capability of the owner, or would result in rents which are not competitive for the area, as determined by the agency. For owner-occupied housing developments, the terms and interest rates of such mortgage loans shall be commensurate with ability to pay, as established by regulations of the agency.

51307. In addition, neighborhood improvement loans may be provided, on the following terms:

(a) Neighborhood improvement loans shall not be subject to the conditions applicable to mortgage loans or construction loans made for housing developments, except as follows:

(1) Residential structures financed shall be deemed to be housing developments, and their owners housing sponsors, for purposes of Chapter 1 (commencing with Section 50900) and Chapter 2 (commencing with Section 50950) of this part, but excluding Sections 50952 and 50958.

(2) All powers and duties specified in Chapter 4 (commencing with Section 51050) as to housing developments shall apply to residential structures financed by neighborhood improvement loans, except that the exercise of powers specified in Section 51064 shall be *permissive*.

(3) Neighborhood improvement loans shall be subject to such conditions as may be provided by agreement between the agency

and a local public entity administering the program and as provided for specifically in this part.

(b) Neighborhood loans shall be made at market interest, except that loans to persons and families of low or moderate income for residential structures of one to four units which are to be occupied by the owner may be made at lower interest rates based on income.

(c) Neighborhood improvement loans shall be made by the administering agency or local public entity or qualified mortgage lender.

(d) Neighborhood improvement loans shall be made only for residential structures.

(e) Refinancing may be provided, but only as necessary to permit the owner to afford the cost of rehabilitation or to minimize rent increases for occupants of the structure whose rents would otherwise exceed affordable rents due to the expense of rehabilitation, and provided that the cost of rehabilitation is at least 20 percent of the principal amount of the loan.

(f) Neighborhood improvement loans other than for refinancing shall be made for rehabilitation costs. In addition to the actual rehabilitation cost, if any, loans may be made for general repairs and improvements to the structure in amounts not in excess of the greatest of:

(1) Two thousand five hundred dollars ($2,500) per dwelling unit.

(2) Twenty percent of rehabilitation costs in the case of a residential structure other than a residential structure of one to four units to be occupied by the owner.

(3) Forty percent of rehabilitation costs in the case of a residential structure of one to four units to be occupied by the owner.

(g) The agency shall require that borrowers contract during the term of the loan not to raise residential rentals over an amount which the agency by regulation establishes will yield a fair rate of return and will allow for increases reasonably necessary to provide and continue proper maintenance of the property.

"Rehabilitation costs," as used in this section, may include development costs, as defined, which are incurred in the rehabilitation of a housing development or residential structure and such other costs for general renovation of the building as are permitted by agency regulations.

Nothing in this section shall authorize financing for the acquisition of residential structures. The agency may by regulation provide for such additional conditions and agreements, not inconsistent with this section, as are deemed necessary to further the purposes of this part.

51308. Financing assistance may include mortgage loans for the acquisition of housing developments in any mortgage assistance area, or any other neighborhood preservation area which the agency finds to be mortgage deficient.

51309. In a mortgage assistance area, the agency may administer programs of neighborhood improvement loans pursuant to Section 51307 and mortgage and construction loans authorized under Sections 51306 and 51308 in a manner consistent with Chapter 5 (commencing with Section 51100) of this part.

In addition, or instead, the agency may provide loan insurance assistance in such areas, which may include insurance of loans provided pursuant to this chapter or of other loans or bonds as provided in Part 4 (commencing with Section 51600) of this division.

51310. Relocation payments shall be made to persons and families displaced in making a site or a residential structure available for rehabilitation or construction financed under this chapter, and relocation advisory assistance provided, as set forth in Section 51063. Relocation payments shall also be made to owners involuntarily displaced because of inability to afford costs of compliance required pursuant to this chapter; but any payment pursuant to Section 4623 of Title 42 of the United States Code or Section 7263 of the Government Code shall be limited to the reasonable cost of a replacement dwelling adequate to accommodate the displaced person or family without regard to whether the dwelling is otherwise comparable to the dwelling formerly occupied, less the amount received from sale of the dwelling.

51311. Upon application by a local public entity the agency may agree to allocate funds for mortgage loans for rehabilitation of housing developments as required in a citywide or countywide program of enforcement of state and local building and housing standards. Such assistance may be administered by the local public entity or the agency.

CHAPTER 7. REVENUE BONDS

51350. (a) The agency may from time to time, after action of the Housing Bond Credit Committee as provided in Section 51360, issue its negotiable bonds in such principal amount as the agency shall determine to be necessary to provide sufficient funds for financing housing developments and other residential structures and for the payment of interest on bonds of the agency, establishment of reserves to secure such bonds, and other expenditures of the agency incident to, and necessary or convenient to, issuance of such bonds.

(b) Sale of the bonds of the agency shall be coordinated by the State Treasurer. To obtain a date for the sale of bonds, the agency shall inform the State Treasurer of the amount of the proposed issue. Upon such notification, the State Treasurer shall provide three 10-day periods, within the 90 days next following, when the bonds can be sold. The agency may choose any date during the suggested periods or any other date to which the agency and the State Treasurer have mutually agreed. The State Treasurer shall sell the bonds on the date chosen according to terms approved by the agency.

The Housing Bond Credit Committee shall exercise its powers with due regard for the right of the holders of bonds of the agency at any time outstanding, and nothing in, or done pursuant to, this section shall in any way limit, restrict, or alter the obligation or powers of the agency or any member, officer, or representative of the agency or the State Treasurer to carry out and perform in every detail each and every covenant, agreement, or contract at any time made or entered into on behalf of the agency with respect to its

bonds or its benefits, or the security of the holders thereof.

(c) The aggregate principal amount of nonguaranteed bonds which may be issued pursuant to this part shall not exceed three hundred million dollars ($300,000,000), exclusive of indebtedness incurred to refund or renew previously issued bonds of the agency to the extent of the outstanding principal indebtedness of such previously issued bonds, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption of such bonds. Guaranteed taxable bonds, or in lieu thereof and in the discret of the agency, nonguaranteed bonds in addition to those authorized by the preceding sentence, to be issued by the agency may be authorized in an amount not exceeding one hundred fifty million dollars ($150,000,000).

51351. Notwithstanding any other provisions of this part, only the following types of housing developments and other residential structures are eligible for mortgage loans made with the proceeds of bonds:

(a) Housing developments and other residential structures financed with bonds of the agency guaranteed under Section 802 of Title VIII of the Federal Housing and Community Development Act of 1974.

(b) Housing developments and other residential structures financed with bonds of the agency that are guaranteed, or the time payment of principal and interest of which is insured, by an agency of the state or by a private insuring entity authorized to engage in such business.

(c) Housing developments and other residential structures, the mortgage loans on which presently are or are expected to be insured under a program utilizing federal coinsurance as authorized under Section 244 of Title III of the Federal Housing and Community Development Act of 1974 (P.L. 93-383).

(d) Housing developments and other residential structures, the bonds or mortgage loans on which are presently or are expected to be insured or guaranteed in whole or in part by an agency of the state, including the California Housing Finance Agency, a political subdivision of the state, or by a private insuring entity authorized to engage in such business, or by any combination thereof, in percentages detemined by the agency.

(e) Housing developments and other residential structures, the mortgage loans on which are presently or are expected to be insured in whole or in part by the Federal Housing Administration or guaranteed in whole or in part by the United States Veterans Administration or by the Farmers Home Administration of the United States Department of Agriculture in percentages determined by the agency.

(f) Housing developments and other residential structures financed by a loan made by the agency to a qualified mortgage lender, if both of the following conditions are met:

(1) The loan to the qualified mortgage lender is a general obligation of the mortgage lender, and

(2) The qualified mortgage lender is a member of, or a subsidiary

of a member of, the Federal Deposit Insurance Corporation or of the Federal Savings and Loan Insurance Corporation.

(g) Housing developments and other residential structures financed by tax-exempt bonds for which a bond reserve fund is created which at least equals either the average annual debt service or the maximum annual interest on the bonds issued.

51352. Except as may otherwise be expressly provided by resolution of the agency, every issue of its bonds shall be general obligations of the agency payable out of any assets, revenues, or moneys of the agency, subject only to any agreements with the holders of particular bonds pledging any particular bonds pledging any particular assets, revenues or moneys.

51353. The bonds shall be authorized by resolution or resolutions of the agency, shall be in such form, shall bear such date or dates, and shall mature at such time or times as such resolution or resolutions may provide, except that no bond shall mature more than 50 years from the date of its issue. The bonds may be issued as serial bonds or as term bonds, or as a combination thereof, and, notwithstanding any other provision of law, the amount of principal of, or interest on, bonds maturing at each date of maturity need not be equal. The bonds shall bear interest at such rate or rates, be in such denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in such medium of payment at such place or places within or without the state, be subject to such terms of redemption and contain such terms and conditions as such resolution or resolutions may provide. The bonds of the agency shall be sold at public or private sale by the State Treasurer at, above, or below the par value, on such terms and conditions and for such consideration in such medium of payment as the agency shall determine by resolution prior to the sale.

51354. The agency may, from time to time, issue (1) bonds to renew bonds and (2) other bond obligations to pay bonds including the interest thereon, and, whenever it deems refunding expedient, to refund any bonds by the issuance of new bonds, whether the bonds to be refunded have or have not matured and to issue bonds partly to refund bonds then outstanding and partly for any of its purposes.

51355. Any resolution or resolutions authorizing any bonds or issue therefor may contain provisions, which shall be a part of the contract or contracts with the holders thereof, as to:

(a) Pledging all or any part of the revenues of the agency to secure the payment of the bonds or any issue thereof, subject to such agreements with bondholders as may then exist.

(b) Pledging all or any part of the assets of the agency, including mortgages and obligations securing the same, to secure the payment of the bonds or any issue thereof, subject to such agreements with bondholders as may then exist.

(c) The use and disposition of the gross income from mortgages owned by the agency and payment of principal of mortgages owned by the agency.

(d) The setting aside of reserves or sinking funds and the regulation and disposition thereof.

(e) Limitations on the purposes to which the proceeds of a sale of bonds may be applied and pledging such proceeds to secure the payment of the bonds or of any issue thereof.

(f) Limitations on the issuance of additional bonds, the terms upon which additional notes or bonds may be issued and secured, and the refunding of outstanding bonds.

(g) The procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which such consent may be given.

(h) Limitations on the amount of moneys to be expended by the agency for operating expenses of the agency.

(i) Vesting in a trustee or trustees such property, rights, powers, and duties in trust as the agency may determine, and providing for or limiting or abrogating the right of the bondholders to appoint a trustee or limiting the rights, powers, and duties of such trustee.

(j) Defining the acts or omissions to act which shall constitute a default in the obligations and duties of the agency to the holders of the bonds and providing for the rights and remedies of the holders of the bonds in the event of such default. However, such rights and remedies shall not be inconsistent with the general laws of the state and the other provisions of this division.

(k) Any other matters of like or different character, which in any way affect the security, protection, or investment return of the holders of the bonds.

51356. Any resolution or resolutions authorizing any bonds or issue thereof shall specify the extent to which revenues resulting from loans made with proceeds of the bonds so authorized are to be used to secure the bonds and the extent to which such revenues may be used for other purposes.

51357. Any pledge made by the agency shall be valid and binding from the time when the pledge is made. The revenues, moneys, or property so pledged and thereafter received by the agency shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the agency, irrespective of whether such parties have notice thereof. Neither the resolution nor any other instrument by which a pledge is created need be recorded.

51358. Bond underwriters and consultants shall be selected by the agency.

51359. The members of the board, the president of the agency, or any other person executing such notes or bonds shall not be subject to any personal liability or accountability by reason of the issuance thereof.

51360. There is hereby continued in existence the Housing Bond Credit Committee composed of the State Controller, the State Treasurer, the Director of Finance, the president, and an executive secretary. The executive secretary shall be appointed by the Governor to a five year term subject to confirmation by the Senate.

The executive secretary shall serve in a full-time capacity with a salary set by the committee. The executive secretary shall aid the committee in the performance of its duties under this chapter, as directed by the committee, and shall perform the functions specified in Section 50912. The members of the committee other than the executive secretary shall serve on the committee without compensation. A majority shall be empowered to act for such committee. Prior to the issuance of any bonds, the board shall submit to the committee a statement of the purpose for which bonds are proposed to be issued and the amount of the proposed issuance. The committee shall determine the general adequacy of the program's security in protecting the state's credit. If the committee finds the state's credit would be subject to an undue risk, it may disapprove the proposed issuance or reduce the amount of the proposed issuance.

51361. The State Treasurer shall act as trustee for the agency and the holders of its bonds. Any resolution authorizing any bonds or issue thereof shall prescribe the duties of the State Treasurer with respect to the issuance, authentication, sale, and delivery of the bonds, the payment of principal and interest thereof, and the redemption of the bonds. Notwithstanding any other provision of law, the State Treasurer shall not be deemed to have a conflict of interest by reason of acting as trustee pursuant to this division

The agency may provide by a resolution for the deposit of all revenues pledged for the security of such bonds in one or more separate accounts in the California Housing Finance Fund under the control of the State Treasurer as trustee. The money in such accounts shall be disbursed only as provided in the resolution.

The board may authorize the State Treasurer to act as trustee on behalf of the holders of its bonds, or any stated percentage thereof, for the purpose of exercising and prosecuting on behalf of the holders of the bonds such rights and remedies as may be available to such holders. However, nothing in this section shall preclude the appointment of a trustee, other than the State Treasurer, to represent and enforce rights of holders of bonds of the agency if, and in the manner and under conditions, provided in the resolution authorizing the bonds.

51362. The State Treasurer or other trustee acting on behalf of bondholders shall have and possess all the powers necessary or convenient for the exercise of any functions specifically set forth in this part or incident to the general representation of bondholders in the enforcement and protection of their rights. The Superior Court of Sacramento County shall have jurisdiction of, and Sacramento County shall be the appropriate venue for, any suit, action, or proceedings by the trustee on behalf of bondholders.

51363. Whether or not the bonds are of such form and character as to be negotiable instruments under, or subject to, the terms of the California Uniform Commercial Code, the bonds and any security instruments underlying the bonds are hereby made negotiable instruments within the meaning of, and for all the purposes of, such code, subject only to the provisions of the bonds for registration.

51364. In the event any of the board members or officers of the agency whose signatures appear on any bonds or coupons shall cease to be such board members or officers before the delivery of such bonds, such signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if such board members or officers had remained in office until such delivery.

51365. Proceeds derived from the issuance of bonds or securities and any interest or other increment derived from the investment thereof may be used for any of the purposes of the agency, including, but not limited to, creation of reserves, repayment of the loan from the state made pursuant to the act enacting this division, operating costs, other expenses, and subsidy programs.

51366. The agency, in its discretion and pursuant to agreements with bondholders, may create and establish one or more special accounts in the California Housing Finance Fund, which shall be known as "bond reserve funds," and shall pay into each such bond reserve fund (1) any moneys appropriated and made available by the Legislature for the purpose of such fund, (2) any proceeds of sale of bonds to the extent provided in the resolution or resolutions of the agency authorizing the issuance thereof, and (3) any other moneys which the agency may make available for the purpose of such bond reserve fund from any other source or sources. All moneys held in any bond reserve fund, except as otherwise provided in this part, shall be used, as required, solely for the payment of the principal of bonds secured in whole or in part by such fund, for the sinking fund payments authorized by this part with respect to such bonds, for the purchase or redemption of such bonds, for the payment of interest on such bonds, or for the payment of any redemption premium required to be paid when such bonds are redeemed prior to maturity. However, moneys in a bond reserve fund shall not be withdrawn therefrom at any time in such amount as would reduce the amount of the bond reserve fund to less than the minimum bond reserve fund requirement established for such fund, as provided in Section 51367, except for the purpose of making, with respect to bonds secured in whole or in part by such fund, payment when due of principal, interest, redemption premiums, and the sinking fund payments, as provided in this part, for the payment of which other moneys of the agency are not available. Any income or interest earned by, or increment to, any bond reserve fund due to the investment thereof may be transferred by the agency to other funds or accounts of the agency to the extent it does not reduce the amount of the bond reserve fund below the minimum bond reserve fund requirement for such fund.

In computing the amount of bond reserve funds for purposes of this section, securities in which all or a portion of such funds are invested shall be valued at par, if purchased at par, and shall be valued at amortized value, as such term is defined by resolution of the agency, if purchased at other than par.

51367. The agency shall not at any time issue bonds if, upon issuance of the bonds, the amount in any bond reserve fund, established pursuant to Section 51366 to secure such bonds or any

previous issuance of bonds so secured by such bond reserve fund, will be less than the minimum bond reserve fund requirement for such fund, unless the agency at the time of issuance of such bonds, shall deposit in such fund from the proceeds of the bonds to be issued, or from other sources, an amount which, together with the amount then in such fund, will not be less than the minimum bond reserve fund requirement for such fund. For the purposes of this chapter, the term "minimum bond reserve fund requirement" shall mean, as of any particular date of computation, the amount, as provided in the resolution or resolutions of the agency authorizing the bonds with respect to which such bond reserve fund is created, that is established as a reserve for current or future obligations to the bondholders.

51368. The Supplementary Bond Security Account is hereby continued in existence in the California Housing Finance Fund. Moneys in such account may be transferred into separate, individual accounts in the fund, which shall be known as supplementary reserve accounts, but the amount appropriated to the Supplementary Bond Security Account shall be utilized to secure issuances of bonds under this chapter as deemed necessary by the agency and shall be used for no other purpose. Upon issuance of any bonds pursuant to this chapter, the agency may create a supplementary reserve account to secure payment of the principal of, and interest and sinking fund payment on, such bonds.

When all obligations secured by all supplementary reserve accounts are retired the Supplementary Bond Security Account shall be dissolved and all moneys therein shall be used first for repayment to the General Fund in the State Treasury of the amount advanced to the Supplementary Bond Security Account by the act enacting this division, less any amount previously repaid on account of such advance. Remaining funds shall be paid into the general accounts of the housing finance agency unless otherwise obligated.

When the amount in a bond reserve fund falls below the minimum bond reserve fund requirement for such fund and available revenues of the agency pledged to the prescribed minimum bond reserve fund requirement are insufficient to restore such fund, the agency shall transfer to the bond reserve fund, from the supplementary bond reserve account securing such bonds, the amount necessary to restore such fund to the minimum bond reserve fund requirement. Moneys in supplementary reserve accounts may be used to directly pay the interest, principal and sinking fund payments on the bonds as provided by bond resolution. To secure issuances of bonds, the supplementary reserve accounts may also be used to insure mortgages to protect the value of the housing developments or other residential structures serving as real property security, except owner-occupied housing developments, in any manner permitted by bond resolution.

Notwithstanding other provisions of this part, interest on the ten million dollars ($10,000,000) appropriated for the Supplementary Bond Security Account shall be paid to the General Fund at the end of each fiscal year.

51369. The agency shall create and establish such other accounts in the California Housing Finance Fund as may be necessary or desirable for its agency purposes.

51370. In addition to the authority otherwise contained in this division to issue notes in anticipation of the sale of bonds, the agency may issue negotiable bond anticipation notes and negotiable construction loan notes and may renew such notes from time to time. Bond anticipation notes may be paid from the proceeds of sale of the bonds of the agency in anticipation of which they were issued. Construction loan notes may be paid from the proceeds of permanent loans. Bond anticipation notes and construction loan notes and agreements relating thereto and the resolution or resolutions authorizing such notes and agreements may contain any provisions, conditions, or limitations which a bond, agreement relating thereto, or bond resolution of the agency may contain.

51371. The agency may provide for the issuance of refunding bonds for the purpose of refunding any bonds then outstanding which have been issued under the provisions of this chapter, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption of such bonds, and for any purpose of the agency. The issuance of such obligations, the maturities and other details thereof, the rights of the holders thereof, and the rights, duties, and obligations of the agency in respect of the same shall be governed by the provisions of this chapter which relate to the issuance of bonds, insofar as such provisions may be appropriate therefor.

51372. Refunding bonds issued as provided in Section 51371 may be sold, or exchanged for outstanding bonds issued under this part and, if sold, the proceeds thereof may be applied, in addition to any other authorized purposes, to the purchase, redemption, or payment of such outstanding bonds. Pending the application of the proceeds of any such refunding bonds, with any other available moneys, (1) to the payment of the principal, accrued interest, and any redemption premium on the bonds being refunded, (2) to the payment of any interest on such refunding bonds, or (3) to any expenses incurred in connection with such refunding, such proceeds may be invested in such obligations as are permitted under the bond resolution authorizing the issuance of refunding bonds.

51373. The state does hereby pledge to and agree with the holders of any bonds issued under this part that the state will not limit or alter the rights hereby vested in the agency to fulfill the terms of any agreements made with the holders thereof or in any way impair the rights and remedies of such holders until such bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such holders, are fully met and discharged. The agency is authorized to include this pledge and agreement of the state in any agreement with the holders of such notes or bonds.

51374. Bonds issued under the provisions of this part shall not be deemed to constitute a debt or liability of the state or of any political subdivision thereof, other than the agency, or a pledge of the faith

and credit of the state or of any such political subdivision, other than the agency, but shall be payable solely from funds herein provided therefor. All such bonds and any prospectus or other printed representation of the agency concerning such bonds shall contain on the face thereof a statement to the following effect: "Neither the faith and credit nor the taxing power of the State of California is pledged to the payment of the principal of or interest on this bond."

The issuance of bonds under the provisions of this part shall not directly or indirectly or contingently obligate the state or any political subdivision thereof to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment. Nothing contained in this section shall prevent or be construed to prevent the agency from pledging its full faith and credit to the payment of bonds or issue of bonds authorized pursuant to this part.

51375. The bonds of the agency shall be legal investments in which all public officers and public bodies of this state, its political subdivisions, all municipalities and municipal subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, banking institutions, including savings and loan associations, building and loan associations, trust companies, savings banks and savings associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or in other obligations of the state, may properly and legally invest funds, including capital, in their control or belonging to them. The bonds may be used by any such private financial institution, person, or association as security for public deposits. The bonds are also hereby made securities which may properly and legally be deposited with and received by all public officers and bodies of the state or any agency or political subdivision of the state and all municipalities and public corporations for any purpose for which the deposit of bonds or other obligations of the state is now or may hereafter be authorized by law, including deposits to secure public funds.

PART 4. BOND AND LOAN INSURANCE

CHAPTER 1. GENERAL PROVISIONS AND DEFINITIONS

51600. The Legislature finds and declares as follows:

(a) For reasons of prudent investment policy, private lending institutions are not making mortgage financing available for residential structures located in many older residential neighborhoods, or for certain housing developments occupied or intended to be occupied by substantial numbers of persons and families of low and moderate income because of the perceived risks such loans entail. The lack of such financing has caused and contributed to deterioration of residential neighborhoods, inhibited local governments in their attempts to arrest and reverse deterioration through local code enforcement programs, and

generally reduced or limited the supply of safe, decent, and sanitary housing available to persons and families of low and moderate income.

(b) By the enactment of the Marks-Foran Residential Rehabilitation Act of 1973 (Part 3 (commencing with Section 37910) of Division 24), the state has authorized local agencies, redevelopment agencies, and housing authorities to provide financing for preservation of residential structures in deteriorating areas. However, some of such local public entities will be unable to sell revenue bonds pursuant to such act on terms sufficiently favorable to enable them to make loans at less than the market-rate interest because of a lack of adequate bond security.

(c) The agency, although it is empowered to sell revenue bonds in order to raise funds for housing assistance, may be unable to market such bonds on terms and at interest rates adequate to enable the agency to accomplish its purposes.

51601. It is the intent of the Legislature in enacting this part to establish a program of bond and loan insurance to encourage and facilitate the preservation of existing housing and improve housing opportunities for persons and families of low or moderate income by reducing the risk factor (1) for loans for housing in older deteriorating areas and (2) for revenue bonds issued by local agencies, redevelopment agencies, and housing authorities pursuant to the Marks-Foran Residential Rehabilitation Act of 1973.

It is further the intent of the Legislature in enacting this part to improve the marketability of revenue bonds sold by the agency by providing for insurance of loans made or assisted by the agency for housing developments located in neighborhood preservation areas.

51602. The agency shall require that occupancy of housing for which a loan is insured pursuant to this part shall be open to all regardless of race, sex, color, religion, national origin, or ancestry, and that contractors and subcontractors engaged in the construction or rehabilitation of housing funded by a loan insured pursuant to this part shall provide an equal opportunity for employment without discrimination as to race, sex, marital status, color, religion, national origin, or ancestry.

51603. Unless the context otherwise requires, the definitions contained in this chapter shall govern the construction of this part.

Such definitions shall be in addition to definitions set forth in Part 1 (commencing with Section 50000) of this division, except that, where the same term is defined in this chapter and in such part, the definition of such term contained in this chapter shall prevail.

51604. "Approved lending institution" means a qualified mortgage lender approved by the agency for participation in a program of loan insurance, including such successors and assigns of any such institution as are permitted by regulation of the agency. "Approved lending institution" shall also include the agency to the extent lending is permitted under Chapter 5 (commencing with Section 51100) of Part 3.

51605. "Bond reserve requirement" means an amount specified by regulations of the agency which shall, as of any particular date of

computation, be at least equal to the total of (1) insurance benefits due and payable as of such date under contracts of bond insurance and (2) 5 percent of the sum of the aggregate insurance outstanding under contracts of bond insurance and the aggregate amounts to be insured under the agency's commitments to insure bonds.

51606. "Bonds" means bonds issued pursuant to Part 13 (commencing with Section 37910) of Division 24.

51607. "Insurance Fund" means the Housing Rehabilitation Insurance Fund.

51608. "Insurance reserve requirement" means an amount specified by regulations of the agency, which shall, as of any particular date of computation, be at least equal to the total of (1) insurance benefits due and payable as of such date pursuant to contracts of loan insurance and (2) 5 percent of the sum of the aggregate insurance outstanding under contracts of loan insurance and the aggregate amounts to be insured under the agency's commitments to insure loans.

51609. "Insured loan" means a loan insured pursuant to Chapter 4 (commencing with Section 51850) of this part.

51610. "Loan-to-value limitation" means a limitation on the ratio of the original principal balance of a loan to the appraised value, including the estimated costs of repair and rehabilitation and sale if any, of the property securing it.

51611. "Qualified rehabilitator" means a housing sponsor which is certified by the agency to be qualified according to experience, financial capability, and such other pertinent criteria as the agency may establish by regulation, to carry out rehabilitation with loans insured pursuant to this part.

51612. "Rehabilitated structure" means a residential structure which becomes eligible for an insured acquisition loan by rehabilitation conducted pursuant to rules and regulations of the agency, whether or not loan insurance is provided by the agency for such rehabilitation.

CHAPTER 2. ADMINISTRATION

51650. The agency shall, with respect to the implementation of this part, have the general powers set forth in Sections 51050 and 51058 and, in addition, may do any and all things necessary to carry out its purposes and exercise the powers expressly granted by this part. The agency shall develop and maintain complete and current statistics and other information with respect to the loan insurance program, including, but not limited to, statistics and information relating to the following:

(a) Financial market conditions, including the interest rates, payback periods, and other terms and conditions affecting such housing.

(b) The character, extent, and actual costs of construction or rehabilitation undertaken during each phase of the program.

(c) Factors affecting, and statistics showing, the extent and utilization of each phase of the program.

(d) Factors affecting the processing time of applications and statistics showing processing times actually experienced for each phase of the program.

(e) Mortgage arrearages, defaults, and foreclosures on insured mortgage loans and expenses incurred as a result of such arrearages, defaults, and foreclosures.

(f) The extent of displacement of persons and the extent and amount of rental increases resulting from insurance of loans, together with measures taken to minimize such displacement and rental increases.

(g) The extent, character, and location of areas throughout the state which have a significant deficiency in the availability of mortgage financing.

(h) The extent and location of housing in the state which is deteriorating or in danger of deteriorating, and the nature and costs of repairs and improvements necessary to arrest such deterioration and restore the housing to decent, safe, and sanitary condition.

(i) Abuses of the program and actions taken in connection therewith.

51651. Information and statistics required to be collected and maintained by Section 51650 shall be submitted together with the annual report required by Section 51005.

51652. (a) The agency may contract with any private or public agency for review of the administration of this part and for assistance in developing regulations to implement this part. The agency shall be responsible for the planning, implementation, functioning, and evaluation of the program of loan and bond insurance.

(b) Not less than once every two years after the effective date of this part, the agency shall contract for an independent evaluation of the program of loan and bond insurance authorized by this part. The report of such evaluation shall include an evaluation of program effectiveness in relation to cost and shall include recommendations and suggested legislation for the improvement of the program, if any. A copy of such report shall be transmitted to the Legislature.

51653. The Housing Rehabilitation Insurance Fund is hereby continued in existence in the State Treasury. All money in the insurance fund is hereby continuously appropriated to the agency without regard to fiscal year for the purpose of insuring loans and bonds pursuant to this part and for the purpose of defraying administrative expenses incurred by the agency in operating such programs of loan and bond insurance. All insurance premiums and other moneys accruing to the agency pursuant to this part shall be deposited in the insurance fund.

51654. Notwithstanding the provisions of Chapter 2 (commencing with Section 12850) of Part 2.5 of Division 3 of Title 2 of the Government Code or the provisions of Article 2 (commencing with Section 13320) of Chapter 3 of Part 3 of such division, application of the insurance fund shall not be subject to the supervision or budgetary approval of any other officer or division of state government. However, the agency's budget respecting such fund shall be reviewed by the Secretary of the Business and Transportation Agency. Additionally, such budget shall be

submitted, with the Secretary's comments, to the Joint Legislative Budget Committee for review and comment.

51655. The agency shall from time to time direct the State Treasurer to invest moneys in the insurance fund which are not required for its current needs in such eligible securities specified in Section 16430 of the Government Code as the agency shall designate. The agency may direct the State Treasurer to deposit moneys in the insurance fund in interest-bearing accounts in state or national banks or other financial institutions having principal offices in this state. To the extent public deposits are permitted by law in each type of financial institution, the agency shall direct the State Treasurer to make such deposits based on the relative participation of the different types of financial institutions as qualified mortgage lenders. However, such allocations shall not be required to the extent that they would result in receipt by the agency of a deposit interest rate that is lower than the highest interest rate available from another institution qualified to receive such deposits. The agency may alternatively require the transfer of moneys in the insurance fund to the Surplus Money Investment Fund for investment pursuant to Article 4 (commencing with Section 16470) of Chapter 3, Part 2, Division 4, Title 2 of the Government Code.

All interest or other increment resulting from such investment shall be deposited in the insurance fund, notwithstanding Section 16305.7 of the Government Code. Moneys in the insurance fund shall not be subject to transfer to any other fund pursuant to any provision of Part 2 (commencing with Section 16300) of Division 4 of Title 2 of the Government Code, except the Surplus Money Investment Fund as provided in this section.

51656. There is hereby continued in existence a loan insurance reserve account in the insurance fund to secure commitments under contracts to insure loans. The agency shall take all reasonable steps to assure that the loan insurance reserve account is continuously maintained at not less than the insurance reserve requirement. The agency shall not cause sums to be withdrawn from the loan insurance reserve account in amounts which would reduce the moneys therein to less than the insurance reserve requirement, except as necessary to satisfy liabilities arising under contracts of loan insurance. In the event that the loan insurance reserve account is reduced to less than the insurance reserve requirement, the agency shall cease making commitments for, and contracts of, insurance until such time as the loan insurance reserve account has been restored to such requirement.

51657. There is hereby continued in existence a bond insurance reserve account in the insurance fund to secure commitments under contracts to insure bonds. The agency shall take all reasonable steps to assure that the bond reserve account is continuously maintained at not less than the bond reserve requirement. The agency shall not cause sums to be withdrawn from the bond insurance reserve account in amounts which would reduce the moneys therein to less than the bond reserve requirement, except as necessary to satisfy liabilities arising under contracts of bond insurance. In the event that

the bond insurance reserve account is reduced to less than the bond reserve requirement, the agency shall cease making contracts of bond insurance until such time as the account has been restored to such requirement.

51658. The agency may create other accounts within the insurance fund as necessary or convenient to carry out the purposes of this part.

51659. (a) The obligation of the agency and of the state to pay any insurance benefit pursuant to contracts of insurance insuring loans or bonds shall not exceed amounts deposited in the insurance fund which are made available therefor under the respective contracts of insurance. Nothing in this part shall require the Legislature to appropriate moneys from the General Fund in the State Treasury to the Housing Rehabilitation Insurance Fund on account of any such obligation. The insurance of loans or bonds under the provisions of this part shall not directly or indirectly or contingently obligate the state or any political subdivision thereof to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment.

(b) All contracts of insurance insuring loans or bonds pursuant to this part shall contain on the face thereof a statement to the following effect: "Neither the faith and credit nor the taxing power of the State of California is pledged to the payment of the principal of or interest on this contract of insurance."

(c) Moneys in the insurance fund may not be transferred to any other fund of the agency except as necessary to pay the expenses of operating the program of loan and bond insurance authorized by this part, nor shall the agency utilize any moneys under the direction and control of the agency, other than moneys in the insurance fund, to satisfy liabilities arising from contracts of insurance authorized by this part.

CHAPTER 3. PROGRAM PRIORITIES

51800. The agency shall, after public hearings, establish priorities for the allocation of loan-insurance assistance among eligible areas throughout the state. In so doing, the agency shall take into account the following factors, to the extent applicable:

(a) The impact of loan-insurance assistance in increasing the housing stock in areas of demonstrated need.

(b) The impact of loan-insurance assistance in upgrading substandard residential structures to decent, safe, and sanitary condition.

(c) The impact of loan-insurance assistance in stabilizing urban neighborhoods and preventing or arresting the process of deterioration.

(d) The impact of loan-insurance assistance in effectuating the efficient utilization of commitments of housing subsidies, thereby increasing housing opportunities for very low-income households.

(e) The impact of loan-insurance assistance in effectuating the efficient utilization of community development funds made available pursuant to the Housing and Community Development Act of 1974 (Public Law 93-383).

(f) The availability and feasibility of alternative means to achieve substantially the same results as loan-insurance assistance.

(g) Opportunities for coinsurance or reinsurance of bonds and mortgages.

(h) The needs of other state housing programs.

(i) The availability of sufficient moneys in the insurance fund.

51801. Until the agency is satisfied that the effectiveness of loan insurance projects conducted in areas designated pursuant to Section 51303 has been demonstrated, and in any case prior to January 1, 1978, the aggregate amount of loan insurance provided by the agency in scattered-site rehabilitation areas shall not exceed 10 percent of the aggregate amount of all outstanding loan insurance and loan insurance commitments of the agency provided pursuant to this part.

51802. Insured loans shall not be made available pursuant to this part in areas where there exists widespread damage of a substantial nature to residential structures resulting from any natural or other disaster, including fire, flood, wind, and earthquake.

51803. Not less than 75 percent of the aggregate amount of loan insurance provided pursuant to this part shall be for loans, all or a portion of which are utilized for rehabilitation pursuant to Section 51852.

CHAPTER 4. LOAN INSURANCE

51850. (a) To be qualified for loan insurance a borrower shall be, or by reason of a loan insured pursuant to this part shall become, the owner of the residential structure for which an insured loan is authorized, and shall be able to bear the usual expenses of maintaining such structure and repay the loan. The agency may by regulation establish such additional requirements as it shall deem necessary to accomplish the purposes of this part.

(b) For the purpose of increasing the efficiency and minimizing the cost of the loan insurance program, the agency may insure or issue commitments to insure loans upon the certification of an officer of an approved lending institution that the borrower is qualified for loan insurance according to eligibility requirements specified by the regulations of the agency. However, the agency shall authorize such certification only for loans with respect to which the approved lending institution retains a substantial portion of the total risk.

51851. The agency shall adopt regulations specifying the percentage of the outstanding principal indebtedness which may be insured under this part with respect to each category of loan authorized to be insured under this part. Loans not secured by a mortgage of first priority may be insured for an amount equal to 100 percent of the outstanding principal indebtedness. All other categories of loans may be insured only for such percentage of the amount of risk as the agency determines is necessary to induce approved lending institutions to make such loans for the purposes specified in this part.

51852. Loans for the rehabilitation, refinancing, or acquisition of

residential structures located in neighborhood preservation areas designated pursuant to Chapter 6 (commencing with Section 51300) of Part 3 of this division may be insured by the agency, subject to the following requirements:

(a) Except for loans insured pursuant to subdivision (d), at least 20 percent of the amount of any such loan shall be used for repairs or improvements which are required by rehabilitation standards.

(b) The loan may include an additional amount to be used for general property improvements, which shall not exceed 20 percent of the amount used for rehabilitation required by rehabilitation standards; or, in the cases of owner-occupied residential structures of not more than four dwelling units, amounts loaned for general property improvements shall not exceed 40 percent of the amount loaned for required rehabilitation.

(c) Subject to the limitation prescribed by subdivision (a), the proceeds of the loan may be used for refinancing of existing indebtedness secured by property to be rehabilitated. Loans for refinancing may be insured only if refinancing is necessary to permit a borrower to afford the cost of rehabilitaton or to minimize rent increases for occupants of the residential structure whose rents would otherwise exceed affordable rents due to the expense of rehabilitation.

(d) The proceeds of the loan may be used for financing acquisition and rehabilitation of a residential structure, or acquisition of a rehabilitated structure, or acquisition of a residential structure which the borrower has agreed to conform to rehabilitation standards within a time and in a manner specified by regulations of the agency. No borrower shall be eligible for insurance of a loan or loans for the acquisition or rehabilitation of more than one residential structure with respect to any such area, unless the borrower is a qualified rehabilitator.

51853. In addition to insurance of loans authorized by Section 51852, the agency may insure the following types of loans in neighborhood preservation areas:

(a) Loans for acquisition of residential structures, provided such structures are in conformance with state and local housing and building standards; and provided, further, that no borrower shall be eligible for insurance of a loan or loans for more than one residential structure with respect to any such area, unless the borrower is a qualified rehabilitator.

(b) Construction and mortgage loans made or assisted pursuant to this division for financing housing developments.

The agency shall develop and adopt regulations that provide for an equitable sharing of the risk of loss among the agency and all other parties to the loan transaction with respect to loans for acquisition of residential structures insured pursuant to subdivision (a).

51854. Loans insured pursuant to this part shall meet the following requirements:

(a) The loans shall be made for a period acceptable to the agency, not to exceed 40 years or four-fifths of the remaining economic life

of the structure as determined by the agency in accordance with its regulations, whichever is less.

(b) The loans shall be subject to maximum loan amounts for each category of loan authorized to be insured under this part, as established by regulations of the agency.

(c) The loan shall be secured by mortgages.

(d) The agency shall establish loan-to-value limitations for each category of loan and may set forth limitations on the further encumbrance of structures and other real property securing loans, but only to the extent necessary to prevent unreasonable impairment of the agency's security. In no case involving refinancing or purchase shall the loan have a principal obligation in an amount exceeding the sum of the estimated cost of rehabilitation, if any, and either the amount required to refinance existing indebtedness secured by the property or, in the case of a sale, the amount of the purchase price and settlement and closing costs incurred in connection with the purchases.

(e) Loans for the rehabilitation of residential structures shall have a principal obligation not exceeding an amount which, when added to any outstanding indebtedness constituting a lien upon the property securing the loan, creates a total outstanding indebtedness which could be reasonably secured by a first mortgage on the property pursuant to subdivision (d), and as set forth by regulations of the agency.

(f) With respect to any loan for the rehabilitation of a residential structure, the agency shall determine that such repair and improvement is economically feasible. With respect to the rehabilitation of a mixed-use residential and commercial structure or of a commercial structure, the agency shall determine that there will be a demand for commercial occupancy of the residential structure after rehabilitation. In making such determination, the level of rent necessitated by repayment of the loan shall be considered.

(g) For the purpose of increasing the efficiency and minimizing the cost of the loan insurance program, the agency may insure or issue commitments to insure loans, upon the certification of an officer of an approved lending institution that the proposed rehabilitation conforms to requirements specified by regulations of the agency regarding economic feasibility and commercial demand.

(h) With respect to any loan for rehabilitation or rehabilitation in combination with refinancing or purchase, the loan agreement shall provide that all funds loaned for repairs and improvements shall be paid after completion or according to a progress payment schedule to the owner and contractor or other provider of goods or services jointly at such times as payment becomes due, and provided the work or portion of the work for which payment is tendered is certified, as provided by regulation of the agency, to be in compliance with contract specifications and applicable state or local housing or building standards. The agency shall approve the contractor or contractors, the contract to provide rehabilitation construction, and the contract specifications prior to committing any funds of an insured loan for rehabilitation.

(i) The agency shall require that borrowers contract during the term of the loan not to raise residential rentals over an amount which the agency by regulation establishes will yield a fair rate of return and will allow for increases reasonably necessary to provide and continue proper maintenance of the property; except that residential structures with more than one but less than five dwelling units which are to be occupied by the owner shall be regulated as to rentals in a manner consistent with subdivision (c) of Section 51200.

(j) Relocation payments shall be made to persons and families displaced in making a site or a residential structure available for rehabilitation or construction financed by loans insured under this part, and relocation advisory assistance provided to such persons, as specified by Section 51063. Relocation payments shall also be made to owners involuntarily displaced because of inability to afford costs of compliance required pursuant to this part, but any payment pursuant to Section 4623 of Title 42 of the United States Code or Section 7263 of the Government Code shall be limited to the reasonable cost of a replacement dwelling adequate to accommodate the displaced person or family without regard to whether the dwelling is otherwise comparable to the dwelling formerly occupied, less the amount received from sale of the dwelling. Relocation payments may be made from the proceeds of insured loans as authorized by the agency.

(k) The residential structure for which a loan is insured pursuant to this part shall be insured against loss due to fire and other causes, as provided by the regulations of the agency.

(*l*) Such other terms and conditions as the agency, by regulation, determines are necessary to further the purposes of this part.

51855. (a) The agency shall establish, and may from time to time revise, after public hearings, a schedule of insurance premiums to be added to the interest rates of insured loans. Such premiums may vary according to the category of the loan and the degree of risk related to the loan. Premiums shall be calculated in an amount which, when added to the other revenues of the insurance program, will be adequate to defray losses occasioned by defaults and the operating expenses of the program, to repay amounts advanced to the agency for purposes of this part from the General Fund, and gradually to expand the insurance capability of the program. Approved lending institutions shall remit premiums to the agency at intervals specified by the agency.

(b) The agency may by regulation prescribe such other charges as it finds necessary, including service charges and appraisal, inspection, and other fees.

51856. The agency shall establish procedures to be followed by approved lending institutions in the event of default on a loan insured under this part. The agency shall require that, prior to submitting a claim, an approved lending institution shall foreclose or exercise a power of sale and take possession of the property or otherwise acquire title and possession of such property within the time specified by the agency. The agency may, upon submission of such a claim, pursue either of the following alternatives:

(a) Pay the approved lending institution the benefit of the insurance, or

(b) Upon conveyance to the agency of all the right, title, and interest of the approved lending institution in the foreclosed property and the assignment of all claims of the approved lending institution against the defaulting borrower to the agency, pay to the qualified mortgage lender the sum of the unpaid principal balance of the loan, foreclosure costs, accrued interest, and such other costs as the agency shall find are fair and reasonable and by regulation authorize.

In any case in which the agency has insured only a portion of the outstanding principal indebtedness of a loan, it may further provide that not more than an equivalent percentage of the total accrued interest and costs shall be payable by the agency pursuant to this section in the event of a default.

51857. In the event of a default on an insured loan not secured by a first mortgage, the agency may, in lieu of proceeding under Section 51856, acquire the insured loan and any security therefor upon payment to the approved lending institution of an amount equal to the unpaid principal balance of the loan, accrued interest, and such other costs as the agency shall find are fair and reasonable and by regulation authorize.

51858. The agency may initiate programs of coinsurance or resinsurance with, and may procure reinsurance from, any local agency or agency of the United States or private mortgage insurer in order to accomplish more effectively the purpose of this part. The agency may coinsure loans made or originated by approved lending institutions which are otherwise insurable under the provisions of this part.

51859. The agency may provide for, and require attendance at, homeownership counseling and training courses as a condition to the insurance of loans for the purchase or refinancing of residential structures under this part.

CHAPTER 5. BOND INSURANCE

51900. The agency may insure bonds issued by local agencies, redevelopment agencies, or housing authorities pursuant to Part 13 (commencing with Section 37910) of Division 24. The agency may charge and collect insurance premiums for such insurance and make other reasonable charges for services performed in connection with approval and processing of such insurance. The agency shall take all reasonable steps to assure the following:

(a) The bonds contain, or are subject to, terms respecting repayment, dates of maturity, and other provisions satisfactory to the agency.

(b) The bonds contain, or are subject to, provisions which the agency deems necessary with respect to security interests of the agency, including provisions relating to subrogation, liens and releases of liens, payment of taxes, escrow or trusteeship requirements, or other matters.

SEC. 3. Any section of any act enacted by the Legislature during

the 1977 portion of the 1977–78 Regular Session, which takes effect on or before January 1, 1978, and which amends, amends and renumbers, or repeals a section repealed by this act, shall prevail over this act, whether such act is enacted prior or subsequent to this act.

CHAPTER 611

An act to add Sections 6901 and 7451 to the Government Code, relating to public agencies.

[Approved by Governor September 7, 1977 Filed with Secretary of State September 7, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 6901 is added to the Government Code, to read:

6901. Notwithstanding any other provision of the law, every state agency owning common stock shall, when returning proxies to a corporation, vote each proxy that is returned to the corporation. Nothing in this section shall prohibit a state agency owning common stock from abstaining on a corporate or shareholder proposal and notifying the corporation in writing of the state agency's desire to abstain on a corporate or shareholder proposal.

As used in this section "state agency" includes the state, the University of California, and any office, department, division, bureau, board, commission, agency, or pension or returement system thereof.

SEC. 2. Section 7451 is added to the Government Code, to read:

7451. Notwithstanding any other provision of the law, every local agency in this state owning common stock shall, when returning proxies to a corporation, vote each proxy that is returned to the corporation. Nothing in this section shall prohibit a local agency in this state owning common stock from abstaining on a corporate or shareholder proposal and notifying the corporation in writing of the local agency's desire to abstain on a corporate or shareholder proposal.

As used in this section "local agency" includes every county, city, city and county, district, and authority, and each department, division, bureau, board, commission, agency, instrumentality or pension or retirement system of any of the foregoing.

CHAPTER 612

An act to amend Section 15853 of the Government Code, relating to property acquisition.

[Approved by Governor September 7, 1977 Filed with Secretary of State September 8, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 15853 of the Government Code is amended to read:

15853. (a) The board is authorized to select and acquire, in the name of and on behalf of the state, with the consent of the state agency concerned, the fee or any lesser right or interest in any real property necessary for any state purpose or function.

(b) Where moneys are appropriated by the Budget Act for any fiscal year or by any other act for the acquisition of land or other real property, either (1) subject to the provisions of the Property Acquisition Law or (2) for any state agency for whom property is acquired by the board, such moneys and acquisitions shall be subject to the provisions of this part and such moneys shall be expended in accordance with the provisions of this part, notwithstanding any other provisions of law.

(c) Notwithstanding any other provisions of law, all land or real property to be acquired by or for any state agency, other than the Department of Transportation, the Department of Water Resources, the State Reclamation Board, the Department of Fish and Game, the Wildlife Conservation Board, the Public Employees' Retirement System, and the State Lands Commission, except for property to be acquired for the State Lands Commission pursuant to an appropriation from the General Fund, shall be acquired by the State Public Works Board in accordance with the provisions of the Property Acquisition Law.

(d) The board may acquire furnishings which the owner thereof agrees to sell and which are contained within improvements acquired by the board. Cost of acquisition of such furnishings shall be charged to the appropriation available for acquisition of the real property.

CHAPTER 613

An act to validate the organization, boundaries, acts, proceedings and bonds of public bodies, as herein defined, and to provide limitations of time within which actions may be commenced in connection therewith, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 7, 1977. Filed with Secretary of State September 8 1977]

The people of the State of California do enact as follows:

SECTION 1. The following terms shall have the following meanings herein:

(a) The term "public body" means counties, cities and counties, cities, and the following districts, authorities, agencies, boards, commissions and other entities:

Agencies, boards, commissions or entities constituted or provided for under or pursuant to Chapter 5 (commencing with Section 6500), Division 7, Title 1 of the Government Code.
Air pollution control districts.
Airport districts.
Assessment districts.
Bridge and highway districts.
California water district distribution districts.
California water district improvement districts.
California water districts.
Cemetery districts.
Citrus pest control districts.
City general improvement district improvement districts.
City general improvement districts.
City maintenance districts.
Community college districts.
Community facilities districts.
Community service districts.
Conservancy districts.
County boards of education.
County drainage districts.
County fire protection districts.
County flood control and water districts.
County free library systems.
County maintenance districts.
County power pumping districts.
County sanitation district improvement districts.
County sanitation districts.
County service area improvement areas.
County service areas.
County sewage and water districts.
County water agencies.
County water authorities.
County water district improvement districts.
County water districts.
County waterworks districts.
Department of Water Resources and other agencies acting under and pursuant to Part 3 (commencing with Section 11100), Division 6 of the Water Code.
Drainage districts.
Fire protection districts.
Flood control and water conservation districts.
Flood control districts.
Garbage and refuse disposal districts.
Garbage disposal districts.
Harbor districts.

Harbor improvement districts.
Harbor, recreation, and conservation districts.
Highway districts.
Highway interchange districts.
Highway lighting districts.
Horticultural development districts.
Horticultural protection districts.
Housing authorities.
Irrigation district distribution districts.
Irrigation district improvement districts.
Irrigation districts.
Joint harbor improvement districts.
Joint highway districts.
Joint municipal sewage disposal districts.
Junior college districts.
Levee districts.
Library districts.
Local health districts.
Local hospital districts.
Metropolitan water districts.
Mosquito abatement districts.
Municipal facilities districts.
Municipal improvement assessment districts.
Municipal improvement district improvement districts.
Municipal improvement districts.
Municipal port districts.
Municipal sewer districts.
Municipal utility districts.
Municipal water district improvement districts.
Municipal water districts of any kind.
Parking authorities.
Parking districts.
Park, recreation and parkway districts.
Permanent road divisions.
Pest abatement districts.
Port districts.
Project areas of redevelopment agencies.
Protection districts.
Public cemetery districts.
Public utility district improvement districts.
Public utility districts.
Rapid transit authorities.
Rapid transit districts.
Reclamation districts.
Recreational harbor districts.
Recreation and park districts.
Recreation, park and parkway districts.
Redevelopment agencies.
Regional park districts.
Regional planning districts.
Resort improvement districts.
Resource conservation districts.
River port districts.
Road districts.
Sanitary agencies.

Sanitary districts.
Sanitary districts annexed areas.
School districts of any kind or class.
Separation of grade districts.
Sewer maintenance districts.
Special transit service districts.
Storm water districts.
Transit districts.
Underground utility districts.
Unified air pollution control districts.
Unified port districts.
Urban renewal agencies.
Vehicle parking districts.
Veterans' memorial districts.
Water agencies.
Water authorities.
Water conservation districts.
Water districts.
Water replenishment districts.
Water storage district improvement districts.
Water storage districts.
Weed abatement districts.
Zones of county water agencies.
Zones of county water authorities.
Zones of county waterworks districts.
Zones of flood control and water conservation districts.
Zones of flood control districts.

The term "public body" and the plural thereof, as used in this act, shall include only those entities which are specifically enumerated in this section.

(b) The term "bonds" means all instruments evidencing an indebtedness of a public body incurred or to be incurred for any public purpose, and all instruments evidencing the borrowing of money in anticipation of taxes, revenues or other income of such body, and all instruments payable from revenues or special funds of such public bodies, and all instruments funding or refunding any thereof or any indebtedness.

SEC. 2. All public bodies heretofore organized or existing under, or under color of, any law are hereby declared to have been legally organized and to be legally functioning as such public body. Every such public body shall have all the rights, powers, and privileges, and be subject to all the duties and obligations of such a public body regularly formed pursuant to law.

SEC. 3. The boundaries of every public body as heretofore established, defined, or recorded, or as heretofore actually shown on maps or plats used by the assessor, are hereby confirmed, validated, and declared legally established.

SEC. 4. All acts and proceedings heretofore taken by any public body or bodies under any law, or under color of any law, for the annexation or inclusion of territory into any such public body or for the annexation of any such public body to any other such public body or for the withdrawal or exclusion of territory from any such public body or for the consolidation, merger or dissolution of any public bodies are hereby confirmed, validated, and declared legally effective. This shall include all acts and

proceedings of the governing board of any such public body and of any person, public officer, board or agency heretofore done or taken upon the question of the annexation or inclusion or of the withdrawal or exclusion of such territory or the consolidation, merger or dissolution of such public bodies.

SEC. 5. All acts and proceedings heretofore taken by or on behalf of any public body under any law, or under color of any law, for the authorization, issuance, sale, or exchange of bonds of any such public body for any public purpose are hereby confirmed, validated, and declared legally effective. This shall include all acts and proceedings of the governing board of such public body and of any person, public officer, board or agency heretofore done or taken upon the question of the authorization, issuance, sale, or exchange of such bonds.

All bonds of any public body heretofore issued shall be, in the form and manner in which issued and delivered, the legal, valid and binding obligations of the public body. All bonds of any public body heretofore awarded and sold to a purchaser and hereafter issued and delivered in accordance with the contract of sale and other proceedings for the award and sale shall be the legal, valid and binding obligations of the public body. All bonds of any public body heretofore authorized to be issued by ordinance, resolution, order or other action adopted or taken by or on behalf of the public body and hereafter issued and delivered in accordance with such authorization shall be the legal, valid and binding obligations of the public body. All bonds of any public body heretofore authorized to be issued at an election and hereafter issued and delivered in accordance with such authorization shall be the legal, valid and binding obligations of the public body. Whenever an election has heretofore been called for the purpose of submitting to the voters of any public body the question of issuing bonds for any public purpose, such bonds, if hereafter authorized by the required vote and in accordance with the proceedings heretofore taken, and issued and delivered in accordance with such authorization, shall be the legal, valid and binding obligations of the public body.

SEC. 6. (a) The foregoing provisions of this act shall operate to supply such legislative authorization as may be necessary to validate any such acts and proceedings heretofore taken which the Legislature could have supplied or provided for in the law under which such acts or proceedings were taken.

(b) The foregoing provisions of this act shall be limited to the validation of acts and proceedings to the extent to which the same can be effectuated under the State and Federal Constitutions.

(c) The foregoing provisions of this act shall not operate to confirm, validate, or legalize any act, proceeding, or other matter the legality of which is being contested or inquired into

in any legal proceeding now pending and undetermined or which may be pending and undetermined during the period of 30 days from and after the effective date of this act, and shall not operate to confirm, validate, or legalize any act, proceeding, or other matter which has heretofore been determined in any legal proceeding to be illegal, void or ineffective.

(d) This act shall not operate to confirm, validate, or legalize a contract between any district and the United States.

SEC. 7. Any action or proceeding contesting the validity of any action or proceeding heretofore taken under any law, or under color of any law, for the formation, organization or incorporation of any public body, or for any annexation thereto, exclusion therefrom or other change of boundaries thereof, or for the consolidation, merger or dissolution of any public bodies, or for the authorization, issuance, sale or exchange of bonds thereof upon any ground involving an alleged defect or illegality not effectively validated by the prior provisions of this act and not otherwise barred by any statute of limitations or by laches must be commenced within six months of the effective date of this act; otherwise each and all of said matters shall be held to be valid and in every respect legal and incontestable. This section shall not extend the period in which any action may be brought beyond the period in which it would be barred by any presently existing valid statute of limitations.

SEC. 8. Nothing contained in this act shall be construed to render the creation of any city or district, or any change in the boundaries of any city or district, effective for purposes of assessment or taxation unless the statement, together with the map or plat, required to be filed under Sections 54900 to 54904, inclusive, of the Government Code, is filed within the time and substantially in the manner required by said sections.

SEC. 9. As used in this act, the word "now" means the date this act takes effect; the word "heretofore" means any time prior to such effective date; and the word "hereafter" means any time subsequent to such effective date.

SEC. 10. This act may be cited as the Second Validating Act of 1977.

SEC. 11. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

To validate the organization boundaries, acts, proceedings and bonds of public bodies as soon as possible, it is necessary that this act take immediate effect.

CHAPTER 614

An act to amend Sections 76031, 76041, and 76057 of the Government Code, relating to jurors.

[Approved by Governor September 7, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 76031 of the Government Code is amended to read:

76031. In a county of the 31st class, trial jurors in the superior court shall receive six dollars ($6) for each day's attendance and fifteen cents ($0.15) for each mile actually and necessarily traveled for attending upon and returning from court, such mileage to be computed for each day's attendance.

Each member of the grand jury shall be allowed seven dollars ($7) for each day in attendance upon the sessions of the grand jury or for each day's active and necessary service as a member of any committee of the grand jury. Each grand juror shall be allowed mileage at the rate of fifteen cents ($0.15) a mile for each mile actually traveled in attendance upon and returning from meetings of the grand jury or any actual or necessary session of a grand jury committee duly called by the secretary or committee chairman, but no mileage shall be allowed outside of the county.

SEC. 2. Section 76041 of the Government Code is amended to read:

76041. In a county of the 41st class, grand jurors shall receive seven dollars ($7) for each day's attendance and fifteen cents ($0.15) for each mile actually traveled. Grand jurors shall also receive, with the approval of the judge of the superior court, expenses incurred by them in the performance of their duties. The fees and mileage shall be paid by the treasurer of the county out of the general fund of the county upon warrants drawn by the county auditor upon the written order of the judge of the superior court.

SEC. 3. Section 76057 of the Government Code is amended to read:

76057. In a county of the 57th class, jurors' fees shall be as follows: for each day's attendance as a grand juror or a trial juror in the superior court, six dollars ($6), and fifteen cents ($0.15) for each mile actually and necessarily traveled as grand juror or trial juror. The county clerk shall certify to the auditor the number of days' attendance, and the number of miles traveled by each juror. The auditor shall draw his warrant therefor and the treasurer shall pay the warrant.

SEC. 4. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because

the provisions of Sections 1 and 2 of this act are in accordance with the request of a local government entity or entities which desired legislative authority to act to carry out the program specified in those sections and because Section 3 of the act results in savings to the affected local entity.

CHAPTER 615

An act to amend Sections 2250 and 2251 of the Vehicle Code, relating to members of the California Highway Patrol.

[Approved by Governor September 7, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 2250 of the Vehicle Code is amended to read:

2250. The California Highway Patrol in the Department of the California Highway Patrol consists of the following members: the commissioner, the deputy commissioner, assistant commissioners, deputy chiefs, assistant chiefs, captains, lieutenants, sergeants, and officers.

SEC. 2. Section 2251 of the Vehicle Code is amended to read:

2251. All promotions to the classes of deputy chief, assistant chief, captain, lieutenant, and sergeant shall be made from promotional eligible lists resulting from promotional examination of persons in the next lower class.

CHAPTER 616

An act to add Section 1373.5 to the Health and Safety Code, and to add Sections 10121.5 and 11516 to the Insurance Code, relating to group disability policies.

[Approved by Governor September 7, 1977 Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 1373.5 is added to the Health and Safety Code, to read:

1373.5. When a husband and wife are both employed as employees, and both have enrolled themselves and their eligible family members under a group health care service plan provided by their respective employers, and each spouse is covered as an employee under the terms of the same master contract, each spouse

may claim on his or her behalf, or on behalf of his or her enrolled dependents, the combined maximum contractual benefits to which an employee is entitled under the terms of the master contract, not to exceed in the aggregate 100 percent of the charge for the covered expense or service.

This section shall apply to every group plan entered into, delivered, amended, or renewed in this state on or after January 1, 1978.

SEC. 2. Section 10121.5 is added to the Insurance Code, to read:

10121.5. (a) When a husband and wife are both employed as employees, and both have enrolled themselves and their eligible family members under a group policy of disability insurance provided by their respective employers, and each spouse is covered as an employee under the terms of the same master policy, each spouse may claim on his or her behalf, or on behalf of his or her enrolled dependents, the combined maximum contractual benefits to which an employee is entitled under the terms of the master policy, not to exceed in the aggregate 100 percent of the charge for the covered expense or service.

(b) When a husband and wife are both employed as employees, and both have enrolled themselves and their eligible family members under a self-insured employee welfare benefit plan provided by their respective employers, and each spouse is covered as an employee under the terms of the same master contract, each spouse may claim on his or her behalf, or on behalf of his or her enrolled dependents, the combined maximum contractual benefits to which an employee is entitled under the terms of the master contract, not to exceed in the aggregate 100 percent of the charge for the covered expense or service.

(c) This section shall apply to every group disability insurance policy and self-insured employee welfare benefit plan which is entered into, issued, delivered, amended, or renewed in this state on or after January 1, 1978.

SEC. 3. Section 11516 is added to the Insurance Code, to read:

11516. When a husband and wife are both employed as employees, and both have enrolled themselves and their eligible family members under a group hospital service plan provided by their respective employers, and each spouse is covered as an employee under the terms of the same master contract, each spouse may claim on his or her behalf, or on behalf of his or her enrolled dependents, the combined maximum contractual benefits to which an employee is entitled under the terms of the master contract, not to exceed in the aggregate 100 percent of the charge for the covered expense or service.

This section shall apply to every group plan entered into, delivered, amended, or renewed in this state on or after January 1, 1978.

CHAPTER 617

An act to amend Section 22511.5 of the Vehicle Code, relating to vehicles.

[Approved by Governor September 7, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 22511.5 of the Vehicle Code is amended to read:

22511.5. (a) Any person who has lost, or has lost the use of, one or more limbs or both hands, who is so severely disabled as to be unable to move without the aid of a mechanical device, who suffers from lung disease to such an extent that his forced (respiratory) expiratory volume one second when measured by spirometry is less than one liter or his arterial oxygen tension (pO_2) is less than 60 mm/Hg on room air at rest, or who is impaired by cardiovascular disease to the extent that his functional limitations are classified in severity as class III or class IV according to standards accepted by the American Heart Association, shall be allowed to park for unlimited periods in parking zones restricted as to the length of time parking is permitted and shall be allowed to park in any metered parking space without being required to pay any parking meter fees. This section shall have no application to those zones in which the stopping, parking, or standing of all vehicles is prohibited or which are reserved for special types of vehicles. As a condition to this privilege the vehicle shall display a distinguishing license plate which shall be issued for a vehicle registered to the disabled person, or a vehicle which is not registered to such a disabled person, but which is used primarily to transport such disabled person and which would otherwise qualify for such distinguishing license plate if the vehicle were registered to the disabled person. The distinguishing license plate shall be issued without additional fees by the Department of Motor Vehicles pursuant to procedures adopted by that department. The department, prior to issuing a distinguishing license plate for a person who indicates that he suffers from lung disease or cardiovascular disease to the extent specified in this section, may require a certificate, signed by a physician licensed to practice medicine, stating that such person does suffer from lung disease or cardiovascular disease to such an extent.

(b) Any person who qualifies for issuance of a distinguishing license plate may apply to the Department of Motor Vehicles for issuance of a distinguishing placard. Such placard may be used in lieu of the distinguishing license plate for parking purposes when displayed on the driver's side dashboard of a vehicle. The placard shall be at least 6 inches by 12 inches in size, and blue in color.

(c) The Department of Motor Vehicles may charge a fee

sufficient to pay the actual cost to that department for issuance of such placards. The Department of Motor Vehicles may establish procedures for the issuance of such placards.

SEC. 2. Section 22511.5 of the Vehicle Code is amended to read:

22511.5. (a) Any person who has lost, or has lost the use of, one or more limbs or both hands, who is so severely disabled as to be unable to move without the aid of a mechanical device, who is blind, who suffers from lung disease to such an extent that his forced (respiratory) expiratory volume one second when measured by spirometry is less than one liter or his arterial oxygen tension (pO_2) is less than 60 mm/Hg on room air at rest, or who is impaired by cardiovascular disease to the extent that his functional limitations are classified in severity as class III or class IV according to standards accepted by the American Heart Association, shall be allowed to park for unlimited periods in parking zones restricted as to the length of time parking is permitted and shall be allowed to park in any metered parking space without being required to pay any parking meter fees. This section shall have no application to those zones in which the stopping, parking, or standing of all vehicles is prohibited or which are reserved for special types of vehicles. As a condition to this privilege the vehicle shall display a distinguishing license plate which shall be issued for a vehicle registered to the disabled person, or a vehicle which is not registered to such a disabled person, but which is used primarily to transport such disabled person and which would otherwise qualify for such distinguishing license plate if the vehicle were registered to the disabled person. The distinguishing license plate shall be issued without additional fees by the Department of Motor Vehicles pursuant to procedures adopted by that department.

(b) Prior to issuing a distinguishing license plate to a person who indicates that he suffers from lung disease or cardiovascular disease to the extent specified in this section, the Department of Motor Vehicles may require a certificate, signed by a licensed physician and surgeon, stating that such person does suffer from lung disease or cardiovascular disease to such an extent.

(c) As used in this section, "blind" means having central visual acuity that does not exceed 20/200 in the better eye, with corrective lenses, as measured by the Snellen test, or visual acuity that is greater than 20/200, but with a limitation in the field of vision such that the widest diameter of the visual field subtends an angle not greater than 20 degrees. The blindness of any person applying to the Department of Motor Vehicles for a distinguishing license plate or placard shall be certified by a licensed physician and surgeon who specializes in diseases of the eye.

(d) Any person who qualifies for issuance of a distinguishing license plate may apply to the Department of Motor Vehicles for issuance of a distinguishing placard. Such placard may be used in lieu of the distinguishing license plate for parking purposes when displayed on the driver's side dashboard of a vehicle. The placard

shall be at least 6 inches by 12 inches in size and blue in color.

(e) The Department of Motor Vehicles may charge a fee sufficient to pay the actual cost to that department for issuance of such placards. The Department of Motor Vehicles may establish procedures for the issuance of such placards.

SEC. 3. Except as otherwise provided in Section 4 of this act, Section 1 of this act shall become operative on July 1, 1978.

SEC. 4. It is the intent of the Legislature, if this bill and Assembly Bill No. 289 are both chaptered and become effective January 1, 1978, both bills amend Section 22511.5 of the Vehicle Code, operative July 1, 1978, and this bill is chaptered after Assembly Bill No. 289, that the amendments to Section 22511.5 proposed by both bills be given effect and incorporated in Section 22511.5 in the form set forth in Section 2 of this act. Therefore, Section 2 of this act shall become operative only if this bill and Assembly Bill No. 289 are both chaptered and become effective January 1, 1978, both amend Section 22511.5, operative July 1, 1978, and this bill is chaptered after Assembly Bill No. 289, in which case Section 2 of this act shall become operative July 1, 1978, and Section 1 of this act shall not become operative.

CHAPTER 618

An act to amend Section 10291.5 of the Insurance Code, relating to insurance.

[Approved by Governor September 7, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 10291.5 of the Insurance Code is amended to read:

10291.5. (a) The purpose of this section is both (1) to prevent, in respect to disability insurance, fraud, unfair trade practices, and insurance economically unsound to the insured, and (2) to assure that the language of all insurance policies can be readily understood and interpreted.

(b) The commissioner shall not approve any disability policy for insurance or delivery in this state:

(1) If he finds that it contains any provision, or has any label, description of its contents, title, heading, backing, or other indication of its provisions which is unintelligible, uncertain, ambiguous, or abstruse, or likely to mislead a person to whom the policy is offered, delivered or issued.

(2) If it contains any provision for payment at a rate, or in an amount (other than the product of rate times the periods for which payments are promised) for loss caused by particular event or events (as distinguished from character of physical injury or illness of the

insured) more than triple the lowest rate, or amount, promised in the policy for the same loss caused by any other event or events (loss caused by sickness, loss caused by accident, and different degrees of disability each being considered, for the purpose of this paragraph, a different loss); or if it contains any provision for payment for any confining loss of time at a rate more than six times the least rate payable for any partial loss of time or more than twice the least rate payable for any nonconfining total loss of time; or if it contains any provision for payment for any nonconfining total loss of time at a rate more than three times the least rate payable for any partial loss of time.

(3) If it contains any provision for payment for disability caused by particular event or events (as distinguished from character of physical injury or illness of the insured) payable for a term more than twice the least term of payment provided by the policy for the same degree of disability caused by any other event or events; or if it contains any benefit for total nonconfining disability payable for lifetime or for more than 12 months and any benefit for partial disability, unless such benefit for partial disability is payable for at least three months; or if it contains any benefit for total confining disability payable for lifetime or for more than 12 months, unless it also contains benefit for total nonconfining disability caused by the same event or events payable for at least three months, and, if it also contains any benefit for partial disability, unless such benefit for partial disability is payable for at least three months. The provisions of this paragraph shall apply separately to accident benefits and to sickness benefits.

(4) If it contains provision or provisions which would have the effect, upon any termination of the policy, of reducing or ending such liability as the insurer would have, but for such termination, for loss of time resulting from accident occurring while the policy is in force or for loss of time commencing while the policy is in force and resulting from sickness contracted while the policy is in force or for other losses resulting from accident occurring or sickness contracted while the policy is in force, and also contains provision or provisions reserving to the insurer the right to cancel or refuse to renew the policy, unless it also contains other provision or provisions the effect of which is that termination of the policy as the result of the exercise by the insurer of any such right shall not reduce or end such liability in respect to the hereinafter specified losses as the insurer would have had under the policy, including its other limitations, conditions, reductions and restrictions, had the policy not been so terminated.

The specified losses referred to in the preceding paragraph are:

(i) Loss of time which commences while the policy is in force and results from sickness contracted while the policy is in force,

(ii) Loss of time which commences within 20 days following and results from accident occurring while the policy is in force,

(iii) Losses which result from accident occurring or sickness contracted while the policy is in force and arise out of the care or

treatment of illness or injury and which occur within 90 days from such termination of the policy or during a period of continuous compensable loss or losses which period commences prior to the end of such 90 days, and

(iv) Losses other than those specified in clause (i), (ii), or (iii) of this paragraph which result from accident occurring or sickness contracted while the policy is in force and which losses occur within 90 days following such accident or the contraction of such sickness.

(5) If by any caption, label, title or description of contents the policy states, implies, or infers without reasonable qualification that it provides loss of time indemnity for lifetime, or for any period of more than two years, if such loss of time indemnity is made payable only when house confined or only under special contingencies not applicable to other total loss of time indemnity.

(6) If it contains any benefit for total confining disability payable only upon condition that the confinement be of an abnormally restricted nature unless the caption of the part containing any such benefit is accurately descriptive of the nature of the confinement required and unless, if the policy has a description of contents, label, or title, at least one of them contain reference to such nature of the confinement required.

(7) If, irrespective of the premium charged therefor, any benefit of the policy is, or the benefits of the policy as a whole are, not sufficient to be of real economic value to the insured.

In determining whether benefits are of real economic value to the insured, the commissioner shall not differentiate between insureds of the same or similar economic or occupational classes and shall give due consideration to the following:

(i) The right of insurers to exercise sound underwriting judgment in the selection and amounts of risks.

(ii) Amount of benefit, length of time of benefit, nature or extent of benefit, or any combination of such factors.

(iii) The relative value in purchasing power of the benefit or benefits.

(iv) Differences in insurance issued on an industrial or other special basis.

To be of real economic value, it shall not be necessary that any benefit or benefits cover the full amount of any loss which might be suffered by reason of the occurrence of any hazard or event insured against.

(8) If it substitutes a specified indemnity upon the occurrence of accidental death for any benefit of the policy, other than a specified indemnity for dismemberment, which would accrue prior to the time of such death or if it contains provision which has the effect other than at the election of the insured exercisable within not less than twenty (20) days in the case of benefits specifically limited to the loss by removal of one or more fingers or one or more toes or within not less than 90 days in all other cases:

(i) Of substituting, upon the occurrence of the loss of both hands,

both feet, one hand and one foot, the sight of both eyes or the sight of one eye and the loss of one hand or one foot, some specified indemnity for any or all benefits under the policy unless the indemnity so specified is equal to or greater than the total of the benefit or benefits for which such specified indemnity is substituted and which, assuming in all cases that the insured would continue to live, could possibly accrue within four years from the date of such dismemberment under all other provisions of the policy applicable to the particular event or events (as distinguished from character of physical injury or illness) causing the dismemberment; or

(ii) Of substituting, upon the occurrence of any other dismemberment some specified indemnity for any or all benefits under the policy unless the indemnity so specified is equal to or greater than one-fourth of the total of the benefit or benefits for which such specified indemnity is substituted and which, assuming in all cases that the insured would continue to live, could possibly accrue within four years from the date of such dismemberment under all other provisions of the policy applicable to the particular event or events (as distinguished from character of physical injury or illness) causing the dismemberment; or

(iii) Of substituting a specified indemnity upon the occurrence of any dismemberment for any benefit of the policy which would accrue prior to the time of dismemberment.

As used in this section, loss of a hand shall be severance at or above the wrist joint, loss of a foot shall be severance at or above the ankle joint, loss of an eye shall be the irrecoverable loss of the entire sight thereof, loss of a finger shall mean at least one entire phalanx thereof and loss of a toe the entire toe.

(9) If it contains provision, other than as provided in Section 10370, reducing any original benefit more than 50 percent on account of age of the insured.

(10) If the insuring clause or clauses contain no reference to the exceptions, limitations and reductions (if any) or no specific reference to, or brief statement of, each abnormally restrictive exception, limitation or reduction.

(11) If it contains benefit or benefits for loss or losses from specified diseases only unless:

(i) All of the diseases so specified in each provision granting such benefits fall within some general classification based upon:

(A) The part or system of the human body principally subject to all such diseases,

(B) The similarity in nature or cause of such diseases,

(C) In case of diseases of an unusually serious nature and protracted course of treatment, the common characteristics of all such diseases with respect to severity of affliction and cost of treatment, and

(ii) The policy is entitled and each provision granting such benefits is separately captioned in clearly understandable words so as to accurately describe the classification of diseases covered and

expressly point out, when such is the case, that not all diseases of such classification are covered.

(12) If it does not contain provision for a grace period of at least the number of days specified below for the payment of each premium falling due after the first premium, during which grace period the policy shall continue in force provided, that the grace period to be included in the policy shall be not less than seven days for policies providing for weekly payment of premium, not less than 10 days for policies providing for monthly payment of premium and not less than 31 days for all other policies.

(13) If it fails to conform in any respect with any law of this state.

(c) The commissioner may, from time to time as conditions warrant, after notice and hearing, promulgate such reasonable rules and regulations, and amendments and additions thereto, as are necessary or convenient, to establish, in advance of the submission of policies, the standard or standards conforming to the provisions of subdivision (b) of this section, by which he shall disapprove or withdraw approval of any disability policy.

In promulgating any such rule or regulation the commissioner shall give consideration to the criteria herein established and to the desirability of approving for use in policies in this state uniform provisions, nationwide or otherwise, and is hereby granted the authority to consult with insurance authorities of any other state and their representatives individually or by way of convention or committee, to seek agreement upon such provisions.

Any such rule or regulation shall be promulgated in accordance with the procedure provided in Chapter 4.5 (commencing with Section 11371) of Part 1 of Division 3 of Title 2 of the Government Code.

(d) The commissioner may withdraw approval of filing of any policy or other document or matter required to be approved by him, or filed with him, by the provisions of this chapter when he would be authorized to disapprove or refuse filing of the same if originally submitted at the time of such action of withdrawal.

Any such withdrawal shall be in writing and shall specify reasons. An insurer adversely affected by any such withdrawal may, within a period of 30 days following mailing or delivery of the writing containing such withdrawal, by written request secure a hearing to determine whether such withdrawal should be annulled, modified or confirmed. Unless, at any time, it be mutually agreed to the contrary, hearing shall be granted and commenced within a period of 30 days following filing of the request and shall proceed with reasonable dispatch to determination. Unless the commissioner in writing in such withdrawal, or subsequent thereto, grants an extension, any such withdrawal shall, in the absence of any such request, be effective, prospectively and not retroactively, on the 91st day following the mailing or delivery of such withdrawal, and, if request for such hearing be filed, on the 91st day following mailing or delivery of written notice of the commissioner's determination.

(e) No proceeding under this section shall be subject to the provisions of Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(f) Except as provided in subdivision (i) of this section, any action taken by the commissioner under this section shall be subject to review by the courts of this state and proceedings on review shall be in accordance with the provisions of the Code of Civil Procedure.

Notwithstanding any other provision of law to the contrary, petition for any such review may be filed at any time before the effective date of the action taken by the commissioner. No action of the commissioner shall become effective before the expiration of 20 days after written notice and a copy thereof are mailed or delivered to the person adversely affected, and any action so submitted for review shall not become effective for a further period of 15 days after the filing of the petition in court. The court may stay the effectiveness thereof for a longer period.

(g) This section shall be liberally construed to effectuate the purpose and intentions herein stated; but shall not be construed to grant the commissioner power to fix or regulate rates for disability insurance or prescribe a standard form of disability policy, except that the commissioner shall prescribe a standard supplementary disclosure form for presentation with all disability insurance policies, pursuant to Section 10603.

(h) This section shall be effective on and after July 1, 1950, as to all policies thereafter submitted and on and after January 1, 1951, the commissioner may withdraw approval pursuant to subdivision (d) of any policy thereafter issued or delivered in this state irrespective of when its form may have been submitted or approved, and prior to such dates the provisions of law in effect on January 1, 1949, shall apply to such policies.

(i) Any such policy issued by an insurer to an insured on a form approved by the commissioner, and in accordance with the conditions, if any, contained in the approval, at a time when such approval is outstanding shall, as between the insurer and the insured, or any person claiming under the policy, be conclusively presumed to comply with and conform to the provisions of this section.

CHAPTER 619

An act to amend Sections 24200 and 24203 of, and to add Section 24200.1 to, the Education Code, relating to the State Teachers' Retirement System.

[Approved by Governor September 7, 1977. Filed with Secretary of State September 8, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 24200 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

24200. Any member prior to mailing of his first retirement allowance check and those retirants receiving an estimated allowance under Section 24503 may elect an option which is an actuarially reduced retirement allowance payable throughout the life of the member and his designated beneficiary as follows:

(a) Option 2. Upon the retirant's death, the reduced retirement allowance equal to the reduced amount the retirant was receiving shall be paid to such person as the retirant has nominated by written designation duly executed and filed with the system at the time of his retirement; or

(b) Option 3. Upon the retirant's death, one-half of the reduced retirement allowance the retirant was receiving shall be paid to such person as the retirant has nominated by written designation duly executed and filed with the system at the time of his retirement.

A member may revoke or change his election of an option at any time prior to the mailing of his first retirement allowance check. Except as provided in Section 24200.1, those retirants receiving an estimated allowance under Section 24503 shall not change the election after it has been received in the system's office in Sacramento.

After the election has been signed, then the election of the option shall be in full force and effect. If the election form is not received in the office of the system within 90 days after mailing by the system to the member the election form is void and cannot thereafter be used. The system shall then compute the allowance on the basis that no option had been elected.

SEC. 2. Section 24200.1 is added to the Education Code, to read:

24200.1. A retirant may cancel the option elected in Section 24200 in the event a final decree of dissolution of marriage or a judgment of nullity has been entered or an order of separate maintenance has been made by a court of competent jurisdiction, and the retirant notifies the board. A retirant may make such cancellation before or after the first retirement allowance check.

Notification to the board shall not be sooner than the effective date of the judgment or order and shall include a certified copy of the final decree of dissolution or judgment of nullity, or an order of separate maintenance, and any property settlement agreement.

Upon notification of the board, the retirant may elect (1) to receive the unmodified retirement benefit from the date of notification, or; (2) a second joint and survivor option under Section 24200, subject to actuarial reduction in the amount of the retirement allowance; provided, that a retirant may not elect a joint and survivor option that would result in any additional liability to the fund. Such election shall be consistent with the final judgment or property settlement agreement.

SEC. 3. Section 24203 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

24203. Any member who has qualified to make application for retirement allowance under Section 23901 may elect, as provided in Section 24200, and except as provided in Section 24200.1, without right of revocation or change after the effective date of his retirement, to receive an actuarially reduced retirement allowance as of the date of his retirement, of the retirement allowance payable to him when and if he retires for service in a reduced retirement allowance according to the provisions of either Option 2 or Option 3 as stated in Section 24200. If the death of such member occurs after the date upon which the election has been signed, then the election shall be in full force and effect. The election shall be void if not received in the system's office in Sacramento within 30 days after the date of signature.

Upon such member's death, prior to the effective date of his retirement, the beneficiary who was nominated under the option elected and who survives shall receive an allowance calculated under such option, upon the assumption that such member retired on the date of death. The payment of such allowance to the beneficiary shall be in lieu of the family allowance provided in Section 23804 and the payment provided in subdivision (a) of Section 23100 and paragraph (1) of subdivision (b) of Section 23800, except that if the beneficiary dies before all accumulated contributions are paid the balance if any shall be paid to the estate of the person last receiving or entitled to receive the allowance. The accumulated annuity deposit contributions and accumulated tax-sheltered annuity contributions, and the amount provided in paragraph (4) of subdivision (b) of Section 23800, shall be paid the designated beneficiary in a lump sum.

If the member subsequently retires, regardless of whether the beneficiary nominated under the option elected is then living, a reduced retirement allowance computed under Section 23800 and the option elected shall be paid.

The amount of the retirement allowance prior to applying the option factor shall be calculated at the member's age at death before retirement, or age on the last day of the month in which the member requested retirement be effective, as the case may be. The reduction of such retirement allowance under the option elected shall be based on the ages of such member and the beneficiary nominated under such option, at the date the election was signed.

CHAPTER 620

An act to amend Sections 2402.5, 24802, and 26100 of the Vehicle Code, relating to vehicles.

[Approved by Governor September 7, 1977. Filed with Secretary of State September 8, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 2402.5 of the Vehicle Code is amended to read:

2402.5. The commissioner shall, after he has considered motor vehicle safety standards adopted pursuant to the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C., Sec. 1381 et seq.), adopt and enforce regulations identical to such standards with respect to any motor vehicle or item of motor vehicle equipment applicable to the same aspect of performance of such vehicle or item of equipment.

Following adoption of such regulations, the commissioner may test vehicles and specific types of equipment for compliance with the federal standards. In formulating test procedures, the commissioner shall review and consider test procedures utilized for compliance with the federal standards. If such vehicle or equipment does not conform to regulations adopted by the commissioner, no person shall sell or offer for sale any such vehicle or equipment.

As used in this section, "motor vehicle safety standard" means a minimum standard for motor vehicle performance, or motor vehicle equipment performance which is practicable, which meets the need for motor vehicle safety and which provides objective criteria. A federal motor vehicle safety standard which conflicts with an equipment provision of this code applicable to the same aspect of performance shall supersede that specific provision of this code with respect to vehicles in compliance with the federal motor vehicle safety standard that was in effect at the time of sale.

It is the intent of the Legislature that the Department of the California Highway Patrol shall continue to carry out the approval of lamps, devices, and equipment as required in other sections of this code and the Department of the California Highway Patrol regulations adopted pursuant to this code, except such items certified by the manufacturer to meet applicable federal motor vehicle safety standards as original equipment on new vehicles and the identical replacements for those items. Testing requirements of this code and regulations adopted pursuant thereto shall be met by the manufacturer submitting a report from a laboratory approved by the department showing compliance with this code and such regulations. The test report shall contain a description adequate for positive identification of the particular item of equipment as prescribed by the Department of the California Highway Patrol and shall state the detailed data and measurements obtained to show compliance with each test requirement.

SEC. 2. Section 24802 of the Vehicle Code is amended to read:

24802. No lights need be displayed upon a vehicle which is:

(a) Parked off the roadway and not in a hazardous position on the highway; or

(b) Parked with a wheel within 18 inches of a curb; or

(c) Parked within a business or residence district with a wheel within 18 inches of a curb or edge of the roadway.

SEC. 3. Section 26100 of the Vehicle Code is amended to read:

26100. No person shall sell or offer for sale for use upon or as part of the equipment of a vehicle, nor shall any person use upon a vehicle any signal device, lighting equipment, or other device requiring approval by this code unless of a type which has been submitted to and approved by the department and which complies with regulations adopted pursuant to Section 2402.5. This section does not apply to a taillamp or stop lamp in use on or prior to December 1, 1935, or to any device or equipment certified by the manufacturer to meet applicable federal motor vehicle safety standards as original equipment on new vehicles, or to the identical replacements sold for vehicles originally using the device or equipment.

SEC. 4. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local governmental entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 621

An act to amend Section 15122 of the Elections Code, relating to elections.

[Approved by Governor September 7, 1977. Filed with Secretary of State September 8, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 15122 of the Elections Code is amended to read:

15122. The commission shall review voting systems periodically to determine if they are defective, obsolete, or otherwise unacceptable. The commission has the right to withdraw its approval previously granted under this article of any voting system or part of a voting system should it be defective or prove unacceptable after such review. Six months' notice must be given before withdrawing approval unless the commission for good cause shown shall make a determination that a shorter notice period is necessary. Any withdrawal by the commission of its previous approval of a voting system or part of a voting system shall not be effective as to any election conducted within six months of such withdrawal.

CHAPTER 622

An act to amend Sections 16560, 16561, 16562, 16630, 16631, and 16632 of, to add Part 6 (commencing with Section 17400) to Division 4 of Title 2 of, to repeal Article 5 (commencing with Section 16580) of Chapter 4 of Part 2 of Division 4 of Title 2 of, and to repeal Article 5 (commencing with Section 16635) of Chapter 4.5 of Part 2 of Division 4 of Title 2 of, the Government Code, relating to state funds.

[Approved by Governor September 7, 1977 Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 16560 of the Government Code is amended to read:

16560. The Treasurer shall enter into such contracts with such depositaries as in his judgment will be to the public advantage so to do. The contracts shall fix the duration of deposits and the rates of interest to be received, if any, the interest payment dates, and provide conditions for their withdrawal, repayment, and security.

SEC. 2. Section 16561 of the Government Code is amended to read:

16561. In order to obtain as high rates of interest as possible, the contracts may contain any conditions necessary to conform with Section 19 of the Federal Reserve Act, as amended, and with regulations established pursuant thereto by the Board of Governors of the Federal Reserve System, and demand deposits shall be subject to withdrawal at any time upon demand of the Treasurer.

SEC. 3. Section 16562 of the Government Code is amended to read:

16562. The contracts covering demand state deposits shall provide that each depositary shall render daily to the Treasurer a statement of the account showing the date of deposits, payments or withdrawals therefrom made during the day and the balance or amount of money of the state held by it at the close of the day. In the event that such demand deposits are interest bearing, the contract also shall provide that on the interest payment dates the depositary shall also furnish a statement showing the amount of interest due thereon together with the payment of the interest due.

The contracts covering time or interest-bearing term deposits shall provide that the interest to be paid by the depositary bank shall be paid upon the expiration of the certificate or certificates of deposit issued as a part of the contract. The contract may also provide for periodic interest payments during the term of the deposit. The contract governing time deposits shall also provide that the amounts of interest shall be reported by the depositary bank at the time of payment of the interest, by statement showing the balances or amounts of money of the state held by it during the period and the amount of accrued interest thereon.

SEC. 4. Article 5 (commencing with Section 16580) of Chapter 4

of Part 2 of Division 4 of Title 2 of the Government Code is repealed.

SEC. 5. Section 16630 of the Government Code is amended to read:

16630. The Treasurer shall enter into such contracts with such savings and loan associations as in his judgment will be to the public advantage so to do. The contracts shall fix the duration of deposits and the rates of interest to be received, if any, the interest payment date, and provide conditions for their withdrawal, repayment, and security.

SEC. 6. Section 16631 of the Government Code is amended to read:

16631. In order to obtain as high rates of interest as possible, the contracts may contain any conditions necessary to conform with Section 5B of the Federal Home Loan Bank Act, as amended (12 USC Sec. 1425 (b)), and with regulations established pursuant thereto by the Federal Home Loan Bank Board.

SEC. 7. Section 16632 of the Government Code is amended to read:

16632. The contracts covering deposits shall provide that the interest to be paid by the savings and loan association shall be paid upon the expiration of the certificate or certificates of deposit issued as a part of the contract. The contract may also provide for periodic interest payments during the term of the deposit. The contract governing deposits shall also provide that the amounts of interest shall be reported by the savings and loan association at the time of payment of the interest, by statement showing the balances or amounts of money of the state held by the association during the period and the amount of accrued interest thereon.

SEC. 8. Article 5 (commencing with Section 16635) of Chapter 4.5 of Part 2 of Division 4 of Title 2 of the Government Code is repealed.

SEC. 9. Part 6 (commencing with Section 17400) is added to Division 4 of Title 2 of the Government Code, to read:

PART 6. WARRANTS AND CENTRALIZED TREASURY CHECKS

CHAPTER 1. GENERAL

17400. The State Treasurer may promulgate regulations as to the redemption of state warrants and agency checks.

17401. The State Treasurer may examine warrants and checks presented for redemption and refuse payment of any item and shall have a reasonable time to make such examination.

17402. The presenting bank and the endorsers of a state warrant or check presented to the Treasurer for redemption are deemed to guarantee that all prior endorsements are genuine, whether or not an express guaranty is placed on the item. When the first endorsement has been made by one other than the payee personally, the presenting bank and the endorsers are deemed to guarantee to the Treasurer, in addition to other warranties, that the person who so endorsed had unqualified capacity and authority to endorse the item on behalf of the payee.

17403. In any case in which the Treasurer redeems or gives credit for a warrant or check, he may revoke the payment or credit given by returning the warrant or check to the presenting bank if upon further examination the item is found to bear a forged, erroneous, or unauthorized endorsement or to contain any material defect or alteration. Upon such revocation the Treasurer may deduct the amount of the item from any amount that is due or may become due to the presenting bank or to obtain a refund from such bank. This right is subject only to the requirements that the item in question be returned at the time of offset or collection and that the item still be within the four-year period of legal negotiability.

17404. Upon notification from the State Treasurer that a forged or erroneously endorsed state warrant has been charged back to the presenting bank, the State Controller may issue a replacement warrant.

CHAPTER 623

An act to amend Section 8012 of the Welfare and Institutions Code, relating to public guardians.

[Approved by Governor September 7, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 8012 of the Welfare and Institutions is amended to read:

8012. (a) Pursuant to Section 1911 of the Probate Code, the public guardian upon the death of his ward or upon the death of his conservatee may pay in full or in part from assets of such ward or conservatee which are under his control the unpaid expenses of his ward's or conservatee's burial and last illness.

(b) If, after the death of the conservatee or ward and after deduction of the cost or payment of burial and last illness expenses pursuant to Section 1911 of the Probate Code, the total market value of the estate of the decedent does not exceed the amount set forth in subdivision (a) of Section 1143 of the Probate Code, the public guardian may apply to a judge of the superior court for an order permitting him to sell any personal property belonging to the decedent, to withdraw any money of the decedent on deposit with any bank or other commercial savings institution, and to collect any debt, claim, or insurance proceeds that may be owing to the decedent or his estate. If the order is granted, any person or institution shall pay or deliver money or property to the public guardian. Application for such an order may be filed whether or not there is a will of the decedent in existence if the will does not appoint an executor or if the named executor refuses to act. No notice of the

application need be given. After the payment of any remaining amounts due for burial and last illness, the public guardian may transfer any remaining assets in accordance with and subject to the provisions of Section 630 of the Probate Code. The value of the property for the purpose of ascertaining the right to transfer under said section shall be determined after deduction of such remaining amounts paid.

CHAPTER 624

An act to amend Sections 40018, 40065, 40072, 40083, 40101, 40112, 40116, and 40130 of, and to add Sections 40019.1 and 40079 to, the Revenue and Taxation Code, relating to taxation.

[Approved by Governor September 7, 1977 Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 40018 of the Revenue and Taxation Code is amended to read:

40018. Every person consuming electrical energy in this state purchased from an electric utility, or the United States or an agency thereof, is liable for the surcharge. His liability is not extinguished until the surcharge has been paid to this state, except that payment to an electric utility registered under this part is sufficient to relieve the consumer from further liability for the surcharge.

SEC. 2. Section 40019.1 is added to the Revenue and Taxation Code, to read:

40019.1. Notwithstanding the provisions of Section 40019, an electric utility may collect the surcharge from another electric utility under such terms and conditions as are agreed upon by the electric utilities involved and the board.

SEC. 3. Section 40065 of the Revenue and Taxation Code is amended to read:

40065. The board for good cause may extend not to exceed one month the time for making any return or paying any amount required to be paid under this part. The extension may be granted at any time provided a request therefor is filed with the board within or prior to the period for which the extension may be granted.

Any person to whom an extension is granted shall pay, in addition to the surcharge, interest at the rate of 1 percent per month, or fraction thereof, from the date on which the surcharge would have been due without the extension of the date of payment.

SEC. 4. Section 40072 of the Revenue and Taxation Code is amended to read:

40072. The amount of the determination, exclusive of penalties, shall bear interest from the last day of the month following the

quarterly period for which the amount or any portion thereof should have been returned until the day of payment. Interest shall be computed at the rate of one-half of 1 percent per month, or fraction thereof, to and including December 31, 1977, and at the rate of 1 percent per month, or fraction thereof, thereafter.

SEC. 5. Section 40079 is added to the Revenue and Taxation Code, to read:

40079. If, before the expiration of the time prescribed in Section 40077 for the mailing of a notice of deficiency determination, the taxpayer has consented in writing to the mailing of the notice after such time, the notice may be mailed at any time prior to the expiration of the period agreed upon. The period so agreed upon may be extended by subsequent agreements in writing made before the expiration of the period previously agreed upon.

SEC. 6. Section 40083 of the Revenue and Taxation Code is amended to read:

40083. The amount of the determination, exclusive of penalties, shall bear interest from the last day of the month following the quarterly period for which the amount or any portion thereof should have been returned until the date of payment. Interest shall be computed at the rate of one-half of 1 percent per month, or fraction thereof, to and including December 31, 1977, and at the rate of 1 percent per month, or fraction thereof, thereafter.

SEC. 7. Section 40101 of the Revenue and Taxation Code is amended to read:

40101. Any person who fails to pay any surcharge to the state or any amount of surcharge required to be collected and paid to the state, except amounts of determinations made by the board under Article 3 (commencing with Section 40071) or 4 (commencing with Section 40081) of this chapter, within the time required shall pay a penalty of 10 percent of the surcharge or amount of the surcharge, in addition to the surcharge or amount of surcharge, plus interest from the date on which the surcharge or the amount of surcharge required to be collected became due and payable to the state until the date of payment. Interest shall be computed at the rate of one-half of 1 percent per month, or fraction thereof, to and including December 31, 1977, and at the rate of 1 percent per month, or fraction thereof, thereafter.

SEC. 8. Section 40112 of the Revenue and Taxation Code is amended to read:

40112. (a) Except as provided in subdivision (b), no refund shall be approved by the board after three years from the last day of the month following the close of the quarterly period for which the overpayment was made, or, with respect to determinations made under Article 3 (commencing with Section 40071) or 4 (commencing with Section 40081) of Chapter 4 of this part, after six months from the date the determinations become final, or after six months from the date of overpayment, whichever period expires the later, unless a claim therefor is filed with the board within such period. No credit

shall be approved by the board after the expiration of such period unless a claim for credit is filed with the board within such period.

(b) A refund may be approved by the board for any period for which a waiver is given under Section 40079 if a claim therefor is filed with the board before the expiration of the period agreed upon.

SEC. 9. Section 40116 of the Revenue and Taxation Code is amended to read:

40116. Interest shall be paid upon any overpayment of any amount of surcharge from the last day of the calendar month following the quarterly period for which the overpayment was made; but no refund or credit shall be made of any interest imposed upon the person making the overpayment with respect to the amount being refunded or credited.

The interest shall be paid:

(a) In the case of a refund, to the last day of the calendar month following the date upon which the person making the overpayment, if he has not already filed a claim, is notified by the board that a claim may be filed or the date upon which the claim is approved by the board, whichever date is the earlier.

(b) In the case of a credit, to the same date as that to which interest is computed on the surcharge or amount against which the credit is applied.

(c) Interest shall be computed at the rate of one-half of 1 percent per month, or fraction thereof, to and including December 31, 1977, and at the rate of 1 percent per month, or fraction thereof, thereafter.

SEC. 10. Section 40130 of the Revenue and Taxation Code is amended to read:

40130. In any judgment, interest shall be allowed at the rate of 6 percent per annum to and including December 31, 1977, and at the rate of 12 percent per annum thereafter upon the amount found to have been illegally collected from the date of payment of the amount to the date of allowance of credit on account of the judgment or to a date preceding the date of the refund warrant by not more than 30 days, the date to be determined by the board.

CHAPTER 625

An act to amend Sections 50370, 50371, 50374, and 50600 of, and to add Sections 50370.2, 50370.4, 50370.6, and 50610 to, the Water Code, relating to reclamation districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 7, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 50370 of the Water Code is amended to read:

50370. The owners of a majority of the acreage in the district may adopt bylaws, not inconsistent with the laws of the state, for the government and control of the affairs of the district.

SEC. 2. Section 50370.2 is added to the Water Code, to read:

50370.2. As an alternative to the adoption of bylaws by the owners, the board may adopt bylaws, not inconsistent with the laws of the state, for the government and control of the district, after notice of a public hearing and the holding of a public hearing on the bylaws proposed to be so adopted. Adoption shall be by a resolution adopted after the close of the public hearing on the bylaws.

SEC. 3. Section 50370.4 is added to the Water Code, to read:

50370.4. The notice of public hearing shall be posted in at least three conspicuous places within the district for at least 15 days prior to the date of the public hearing, and shall state the date, time, and place of the public hearing. The notice shall contain a statement that copies of the proposed bylaws will be available to the public at a location and at times which shall be set forth in the notice.

SEC. 5. Section 50370.6 is added to the Water Code, to read:

50370.6. At the public hearing held on the bylaws proposed to be so adopted, the board shall receive any comments or proposals concerning the proposed bylaws, and may adopt or reject such comments or proposals, or may continue the hearing from time to time, not to exceed 30 days from the date specified in the notice of hearing. The board may further continue the hearing, from time to time, but each continuance shall be for not more than 30 days.

SEC. 6. Section 50371 of the Water Code is amended to read:

50371. When the bylaws have been adopted they shall be filed for record with the county recorder.

SEC. 7. Section 50374 of the Water Code is amended to read:

50374. A board of trustees shall be elected as provided in Chapter 1 (commencing with Section 50600) of Part 3 of this division unless the district is formed to operate without trustees pursuant to Chapter 3 (commencing with Section 50400) of this part.

SEC. 8. Section 50600 of the Water Code is amended to read:

50600. After the formation of the district, the board of supervisors, on the application of a landowner, shall call an election in compliance with the provisions of Part 4 (commencing with Section 50700) of this division at which election there shall be elected three eligible persons, who shall constitute, when elected and qualified the first board of trustees of the district.

SEC. 9. Section 50610 is added to the Water Code, to read:

50610. Members of the board of trustees appointed pursuant to Section 58762.1 of the Government Code shall be immune from liability to creditors of the district for debts incurred prior to their appointment.

SEC. 10. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within

the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Reclamation districts which are subject to the provisions of this bill have no bylaws and are thereby restricted in the ability to carry out their purposes. In order to provide the authority for such districts to adopt bylaws as soon as possible so such districts may carry out their business in a normal manner, it is necessary, therefore, that this act take effect immediately. In addition, the State Treasurer is authorized, under specified conditions, to appoint the members of the governing board of a reclamation district which has defaulted on its outstanding bonds or other instruments of indebtedness. In order to permit the State Treasurer to obtain qualified persons to serve on the board of trustees of a reclamation district which has defaulted on such indebtedness, it is necessary that this act take effect immediately.

CHAPTER 626

An act to amend Sections 5503, 5512.5, 5653, 6456.5, 7616, 8400, 9200, 9201, 9206, 9207, 9209, 9214, 9215, and 9216 of, and to add Sections 5500.1 and 9201.1 to, the Financial Code, relating to savings and loan associations.

[Approved by Governor September 7, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 5500.1 is added to the Financial Code, to read:

5500.1. (a) All references in this division to the General Corporation Law means the General Corporation Law effective January 1, 1977, and any subsequent amendments thereto.

(b) In the application of Chapter 23 (commencing with Section 2300) of the Corporations Code to associations, the definition of "effective date" in Section 2300 is "January 1, 1978".

SEC. 2. Section 5503 of the Financial Code is amended to read:

5503. The articles of incorporation of each domestic association incorporated after August 14, 1931, shall include a statement that it is formed for each of the following purposes:

(a) To engage primarily in the specific business of a savings and loan association and any other lawful activities not prohibited to a savings and loan association by applicable laws and regulations.

(b) To encourage industry, frugality, homebuilding, and the accumulation of savings. Such statement shall add either "among its members," "among its certificate holders," or "among its members and certificate holders," and may also add "and among others."

(c) For the accumulation of savings.

(d) For the loaning of the money accumulated, with the profits

and earnings thereon. Such statement shall add either "to its members," "to its certificate holders," or "to its members and certificate holders," and such statement may also add "and to others."

(e) For the repayment subject to the provisions of this division, of the savings and profits of each member or investor whenever they have accumulated to the par value, or at any time the member or investor desires to withdraw the same, or when the association desires to repay the same. Such statement shall provide that repayment is made either "to each member," "to each certificate holder," or "to each member or certificate holder." Such statement shall also provide that repayment is of the par value "of his shares," "of his investment certificates," or "of his shares or investment certificates."

The above provisions are in lieu of paragraph 1 of subdivision (b) of Section 202 of the Corporations Code.

SEC. 3. Section 5512.5 of the Financial Code is amended to read:

5512.5. Upon filing an application for approval of proposed articles of incorporation with the commissioner under Section 5507, or upon filing an amendment to the articles changing the name of a proposed association, the incorporators shall file an application for a certificate of reservation of the name of the proposed association as set forth in the articles of incorporation with the Secretary of State pursuant to Section 201 of the Corporations Code. The application filed with the Secretary of State shall recite the fact of the pendency of the application filed under Section 5507 and the Secretary of State shall issue a certificate of reservation upon such an application for a certificate and upon payment of any required fee. Notwithstanding the provisions of Section 201 of the Corporations Code, the name contained in the certificate of reservation shall be reserved to the applicant until the commissioner refuses to issue a certificate of approval, or, if a certificate of approval is issued, as long as the certificate of approval continues in force or effect, or for a period of up to one year from the date when the application is filed in accordance with this article, pending the applicant's fulfillment of any requirements precedent to opening for business. The Secretary of State may, upon the request of the applicant and the approval of the commissioner, extend the reservation of the name for an additional six months.

If a license is issued by the commissioner pursuant to Article 2 of this chapter, the license shall be in the name reserved.

SEC. 4. Section 5653 of the Financial Code is amended to read:

5653. Any amendment to the articles of incorporation or bylaws of an association which makes any change in the rights, preferences, or privileges of any outstanding stock or shares of such association is not valid, unless such amendment is approved by the vote or written consent of the holders of a majority of such outstanding stock or a majority in value of such outstanding shares, or of the class or classes of such outstanding shares which are adversely affected by such

amendment.

SEC. 5. Section 6456.5 of the Financial Code is amended to read:

6456.5. An association may purchase stock issued by it, in an amount not to exceed the amount of earned surplus or undivided profits available for dividends on its stock, if either (a) the stock so purchased is included for federal estate tax purposes in determining the gross estate of a decedent, and the amount paid for such purchase is entitled to be treated under Section 303 of the Internal Revenue Code of 1954 or other applicable federal statute or the corresponding provision of any future federal revenue law, as a distribution in full payment in exchange for the stock so purchased or (b) such purchase is with the prior consent of the commissioner. Stock so purchased until sold shall be carried as reacquired stock. Upon the purchase of any stock issued by the association, an amount equal to the purchase price shall be set aside from earned surplus or undivided profits available for dividends to a specific reserve account established for this purpose. Upon sale of any of such stock, the amount relating thereto in the specific reserve account shall be returned to the surplus or undivided profits account (as the case may be) and shall be available for dividends. Reacquired stock shall not be resold at less than its reacquisition cost except with the specific approval of the commissioner, and shall not be resold or reissued except in accordance with Section 6450 to 6457.

SEC. 6. Section 7616 of the Financial Code is amended to read:

7616. No action may be instituted or maintained in the right of any association by any shareholder or certificate holder, as such. Such action may not be instituted or maintained by a stockholder of any association, unless all of the following conditions exist:

(1) The plaintiff alleges in the complaint that he was a registered stockholder at the time of the transaction or any part thereof of which he complains or that his stock thereafter devolved upon him by operation of law from a holder who was a holder at the time of the transaction or any part thereof complained of.

(2) The plaintiff alleges in the complaint with particularity his efforts to secure from the board of directors such action as he desires and alleges further that he has either informed the association or such board of directors in writing of the ultimate facts of each cause of action against each defendant director or delivered to the association or such board of directors a true copy of the complaint which he proposes to file, and the reasons for his failure to obtain such action or the reasons for not making such effort.

(3) The commissioner shall have determined, after a hearing upon at least 20 days' written notice to such association and each of its directors, that such action (a) is proposed in good faith and (b) there is reasonable possibility that the prosecution of such action will benefit the association and its stockholders.

Subdivisions (c), (d), (e) and (f) of Section 800 of the Corporations Code shall be applicable in the case of any such action.

SEC. 7. Section 8400 of the Financial Code is amended to read:

8400. Stockholders, after their stock has been fully paid, are not liable to creditors nor for assessments upon their stock except as provided by this section and by Articles 2 and 3 of this chapter. If the articles of incorporation of an association expressly confer upon the directors such authority, and subject to any limitations therein contained, the directors may levy and collect assessments upon stock. Assessments on stock shall be levied, collected, and enforced in the manner and subject to the provisions set forth in Section 423 of the Corporations Code in respect to assessments upon stockholders of corporations generally.

SEC. 8. Section 9200 of the Financial Code is amended to read:

9200. Any domestic association may transfer all or substantially all of its property and assets to any other domestic association upon such terms as may be agreed by the affirmative vote of at least a majority of their respective directors, ratified, in the case of the contracting associations by either (a) the vote or written consent of stockholders holding in the aggregate a majority of the outstanding stock of each contracting association, or (b) by the vote or written consent of shareholders holding in the aggregate a majority in value of the outstanding shares if the contracting association is a mutual association. Regardless of any other provisions of law, the vote or written consent of borrower members of the contracting associations is not required, and the vote or written consent of the shareholders of a contracting association which issues both stock and shares is not required, provided the vote or written consent of the stockholders is secured as provided in (a) above. Any such transfer shall have prior written approval of the commissioner.

SEC. 9. Section 9201 of the Financial Code is amended to read:

9201. Any domestic association may transfer all or substantially all of its property and assets to a federal savings and loan association, or any federal savings and loan association may transfer all or substantially all of its property and assets to any domestic association, upon such terms as may be agreed by the affirmative vote of at least a majority of their respective directors, ratified, in the case of the contracting domestic association by either (a) the vote or written consent of stockholders holding in the aggregate a majority of the outstanding stock of the contracting association, or (b) by the vote or written consent of shareholders holding in the aggregate a majority in value of the outstanding shares if the domestic contracting association is a mutual association. In the case of contracting federal savings and loan associations, the transfer shall be ratified by the vote or written consent prescribed by the laws of the United States and the regulations of the Federal Home Loan Bank Board applicable thereto. Regardless of any other provisions of law, the vote or written consent of borrowing members of a domestic contracting association is not required, and the vote or written consent of the shareholders of a domestic contracting association which issues both stock and shares is not required, provided the vote or written consent of the stockholders is secured as provided in (a)

above. Any such transfer shall have prior written approval of the commissioner.

SEC. 10. Section 9201.1 is added to the Financial Code, to read:

9201.1. In the case of a transfer of assets, the provisions of Chapter 13 (commencing with Section 1300) of Division 1 of Title 1 of the Corporations Code shall apply only to stockholders and shares of stock owned by them in the association whose assets are being transferred, and applies where the transfer is approved under the provisions of this chapter by written consent of the stockholders.

SEC. 11. Section 9206 of the Financial Code is amended to read:

9206. If the agreement is for a merger, it shall state any matters with respect to which the articles of the surviving association are amended and the articles shall be amended accordingly, without any further proceedings, upon the effective date of the merger, but with respect to any such amendments, the agreement shall meet the requirements of Section 907 of the Corporations Code in identifying any provisions to be amended, stricken, or added and shall set forth in full the wording of the provision as amended or added or the wording of the amended articles if they be amended in full.

SEC. 12. Section 9207 of the Financial Code is amended to read:

9207. The agreement shall be approved by either (a) the vote or written consent of stockholders holding in the aggregate a majority of the outstanding stock of each association or (b) the vote or written consent of shareholders holding in the aggregate a majority in value of the outstanding shares if the association is a mutual association. Regardless of any other provisions of law, the vote or written consent of borrowing members of each association is not required and the vote or written consent of the shareholders of an association which issues both stock and shares is not required provided the vote or written consent of the stockholders is secured as provided in (a) above. If the written consent of the stockholders or shareholders is not received a notice of a meeting to vote duly called upon notice of the time, place, and purpose thereof shall be duly given to each stockholder or shareholder entitled to vote at least 20 days prior to the date of the meeting.

SEC. 13. Section 9209 of the Financial Code is amended to read:

9209. When the agreement has been approved by the directors and the stockholders or shareholders of an association, the association shall mail notice of the approval to each of its stockholders or shareholders at least 10 days before filing the certificate as provided in Section 9210 unless the consents of all stockholders or shareholders entitled to vote have been solicited and received in writing.

SEC. 14. Section 9214 of the Financial Code is amended to read:

9214. In the case of a merger, the provisions of Chapter 13 (commencing with Section 1300) of Division 1 of Title 1 of the Corporations Code shall apply only to stockholders and shares of stock owned by them in the association being merged into a surviving association, and applies where a merger is approved under the provisions of this chapter by written consent of the stockholders.

SEC. 15. Section 9215 of the Financial Code is amended to read:

9215. A domestic association may acquire all or at least 90 percent of the issued and outstanding stock of another domestic association, or any other corporation, with the prior written approval of the commissioner upon such conditions as he may impose as a step in a plan of merger to be approved by the commissioner. The acquisition of such stock shall be upon such terms as may be agreed by the affirmative vote of at least a majority of the board of directors of the acquiring association ratified by the vote or written consent of stockholders of the acquiring association holding in the aggregate not less than a majority of its outstanding stock.

SEC. 16. Section 9216 of the Financial Code is amended to read:

9216. (a) Any domestic association, owning all the outstanding stock of any corporation, may merge such wholly owned subsidiary corporation if the laws under which the subsidiary corporation exists permits a merger as this section provides. Such association shall submit to the commissioner for approval a certificate of ownership in its name signed by its president or a vice president, and its secretary or an assistant secretary, which shall be verified by their affidavit, stating, in effect, that the matters set forth in the certificate are true of their own knowledge. The certificate shall set forth:

(1) That it owns all the outstanding stock of the merged corporation.

(2) A copy of the resolution adopted by a majority of its board of directors to merge such corporation, and to assume all of its obligations.

(3) The time and place of the meeting of the board of directors at which such resolution was adopted, and the vote by which it was adopted.

(b) If a domestic association owns less than all the outstanding stock but at least 90 percent of the outstanding shares of stock of each class of a corporation or corporations, domestic or foreign, the merger of the subsidiary corporation or corporations into the parent association may be effected by resolutions adopted by the boards of the parent and each subsidiary corporation and the filing of a certificate of ownership as provided in subdivision (d). The resolution of the board of the parent association shall provide for the merger, shall provide that the parent association assumes all the liabilities of each subsidiary corporation and shall set forth the securities, cash property or rights to be issued, paid, delivered or granted by the parent association upon surrender of each share of stock of each subsidiary corporation not owned by the parent association. The resolution of the board of each subsidiary corporation shall approve the fairness of the consideration to be received for each share of stock of the subsidiary corporation not owned by the parent association.

(c) Notwithstanding any other provision of law, in any merger pursuant to this section, the parent association may change its name regardless of whether the name so adopted is the same or similar to

that of one of the disappearing associations. In such case the resolution shall provide for the amendment of articles to change the name.

(d) After adoption of the resolution or resolutions of merger, as provided under subdivision (b), such association shall submit to the commissioner for approval a certificate of ownership in its name signed by its president or a vice president, and its secretary or an assistant secretary, which shall be verified by their affidavit, stating, in effect, that the matters set forth in the certificate are true of their own knowledge. The certificate shall set forth:

(1) That the association owns at least 90 percent of the outstanding stock of the merged corporation.

(2) A copy of the resolution adopted by a majority of the association's board of directors to merge such corporation, to assume all of its obligations, and including the resolution for a change of name if applicable.

(3) A copy of the resolution or resolutions adopted by the board of each subsidiary corporation, if required.

(4) The time and place of the meeting of the boards of directors of the parent and the subsidiary at which such resolutions were adopted, and the vote by which they were adopted.

(e) In the event all of the outstanding shares of stock of a subsidiary domestic corporation party to a merger effected under this section are not owned by the parent association immediately prior to the merger, the parent association shall, at least 20 days before the effective date of the merger, give notice to each stockholder of such subsidiary corporation that the merger will become effective on or after a specific date, which notice shall contain (1) a copy of the resolutions of the boards of directors of the parent and the subsidiary required by subdivision (b) above and (2) the information which must accompany the notice required by subdivision (a) of Section 1301 of the Corporations Code. The notice shall be sent by mail addressed to the stockholder at the address of such stockholder as it appears on the records of the corporation. Any such stockholder shall have the right to demand payment of cash for the shares of stock of such stockholder pursuant to the provisions of Chapter 13 (commencing with Section 1300) of Division 1 of Title 1 of the Corporations Code.

(f) If the commissioner approves a merger authorized by this section, he shall attach to the certificate his written approval, and the certificate shall be filed with the Secretary of State. A copy of the approved certificate certified by the Secretary of State shall be filed with the commissioner. Thereupon, all of the estate, property, rights, privileges, and franchises of the merged corporation shall vest in and be held and enjoyed by the parent association as fully as the same were before held and enjoyed by the merged corporation, but subject to all the liabilities and obligations of the merged corporation and the rights of all creditors thereof. The parent association shall not, however, thereby acquire the right to engage in any business or

to exercise any right, privilege, or franchise of a kind which it could not lawfully engage in or exercise under the provisions of this division. The parent association shall be deemed to have assumed all the liabilities and obligations of the merged corporation, and shall be liable in the same manner as if it had itself incurred such liabilities and obligations.

(g) If the merged subsidiary is a domestic corporation, a copy of the certificate shall be filed in the office of the Secretary of State on behalf of the subsidiary corporation. If the merged subsidiary is a foreign corporation qualified for the transaction of intrastate business in this state there shall be filed in the office of the Secretary of State on behalf of the foreign subsidiary a certificate of surrender and right to transact intrastate business as provided in Section 2112 of the Corporations Code. No copy of the certificate shall be filed unless there is also filed with the Secretary of State the certificate of satisfaction of the Franchise Tax Board that all taxes imposed upon such subsidiary corportion by the Bank and Corporation Tax Law, Part 11 (commencing with Section 23001) of Division 2 of the Revenue and Taxation Code, have been paid or secured.

CHAPTER 627

An act to amend Sections 36125 and 36300 of, to amend the heading of Chapter 7 (commencing with Section 36700) of Division 16 of, and to add Sections 36011, 36102, 36606, and 36705 to, the Vehicle Code, relating to implements of husbandry, and making an appropriation therefor.

[Approved by Governor September 7, 1977. Filed with Secretary of State September 8, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 36011 is added to the Vehicle Code, to read:

36011. An "automatic bale wagon" is a motor vehicle capable of transporting property on a highway and equipped with apparatus specifically designed to pick up single bales of hay or straw from a field and to load and unload baled hay or straw.

SEC. 2. Section 36102 is added to the Vehicle Code, to read:

36102. The following vehicles are exempt from registration if they have and display identification plates, as specified in Section 36125; and such vehicles, except when operated pursuant to subdivision (k) of Section 36005, shall not be deemed to be implements of husbandry and they shall be subject to all equipment and device requirements as if registered:

(a) An automatic bale wagon operated unladen on a highway.

(b) An automatic bale wagon when transporting baled hay or straw for a distance of not more than five continuous road miles on

a highway from one parcel of property owned, leased, or controlled by a farmer to another parcel of property owned, leased, or controlled by such farmer.

SEC. 3. Section 36125 of the Vehicle Code is amended to read:

36125. Owners of cotton trailers, farm trailers as specified in Section 36109, vehicles which are farmer-owned and used as provided in subdivision (b) of Section 36101, motor vehicles which are farmer-owned and operated and used as provided in subdivision (a) of Section 36101, or automatic bale wagons operated as specified in subdivision (a) or (b) of Section 36102, which are exempt from registration, shall, prior to any movement of such vehicles upon a highway, make application to the department to obtain for display thereon special identification plates of the type provided for implements of husbandry, and pay a service fee of five dollars ($5) for each vehicle. Such plates shall be renewed between the inclusive dates of January 1 through February 4 every three years, commencing in 1972, by application and payment of the five-dollar ($5) service fee; except that the five-dollar ($5) service fee for an original application for such identification plates shall be decreased by one dollar ($1) for each subsequent year of the three-year cycle. The requirement of Section 36120 relating to a photograph of the vehicle shall not apply to any application for special identification plates made pursuant to this section.

As used in this section, "three years" means three calendar years. Any part of the year of first application shall constitute a calendar year.

SEC. 4. Section 36300 of the Vehicle Code is amended to read:

36300. Any person, while driving or operating an implement of husbandry incidentally operated or moved over a highway is not required to obtain a driver's license; except that the driver of any farm tractor while being used to draw a farm trailer carrying farm produce between farms or from a farm to a processing or handling point and return, and the driver of an automatic bale wagon which is being operated as specified in Section 36102, but is not being operated as provided in subdivision (k) of Section 36005, shall be in possession of a driver's license of the appropriate class other than a junior permit.

SEC. 5. Section 36606 is added to the Vehicle Code, to read:

36606. (a) The limitations as to width, as set forth in Chapter 2 (commencing with Section 35100) of Division 15, do not apply to automatic bale wagons while operated as specified in Section 36102, except that such vehicles or the load thereon may not exceed 120 inches in width.

(b) This section shall have no application to highways which are a part of the National System of Interstate and Defense Highways (as referred to in subdivision (a) of Section 108 of the Federal-Aid Highway Act of 1956).

SEC. 6. The heading of Chapter 7 (commencing with Section 36700) of Division 16 of the Vehicle Code is amended to read:

CHAPTER 7. OTHER REQUIREMENTS

SEC. 7. Section 36705 is added to the Vehicle Code, to read:

36705. No automatic bale wagon exceeding 96 inches in width or carrying a load in excess of 100 inches in width may be operated on any highway during darkness.

CHAPTER 628

An act to amend Sections 12703 and 12773 of the Business and Professions Code, relating to public weighmasters.

[Approved by Governor September 7, 1977 Filed with Secretary of State September 8, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 12703 of the Business and Professions Code is amended to read:

12703. (a) The issuance of a receipt showing the weight of fish, mollusks, or crustaceans pursuant to Sections 8011, 8012, 8013, 8014, and 8015 of the Fish and Game Code constitutes the issuance of a weight or measure certificate under this chapter when issued by persons who are required to be public weighmasters pursuant to Section 12700.

(b) Notwithstanding any other provision of this division, the weight of squid or anchovy, certified pursuant to this section may, in a manner prescribed and authorized by regulations of the director, be determined by computation based upon volumetric measurement of containers. This subdivision shall not apply to squid or anchovy delivered for the purpose of canning, retorting, or reduction.

SEC. 2. Section 12773 of the Business and Professions Code is amended to read:

12773. (a) The issuance of a receipt showing the weight of fish, mollusks, or crustaceans pursuant to Sections 8011, 8012, 8013, 8014 and 8015 of the Fish and Game Code constitutes the issuance of a weight or measure certificate under this chapter when issued by persons who are required to be public weighmasters at large pursuant to Section 12770.

(b) Notwithstanding any other provision of this division, the weight of squid or anchovy certified pursuant to this section may, in a manner prescribed and authorized by regulations of the director, be determined by computation based upon volumetric measurement of containers. This subdivision does not apply to any squid or anchovy delivered for the purpose of canning, retorting, or reduction.

CHAPTER 629

An act to amend Section 621 of the Unemployment Insurance Code, relating to unemployment insurance.

[Approved by Governor September 7, 1977. Filed with Secretary of State September 8, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 621 of the Unemployment Insurance Code is amended to read:

621. "Employee" means all of the following:

(a) Any officer of a corporation.

(b) Any individual who, under the usual common law rules applicable in determining the employer-employee relationship, has the status of an employee.

(c) (1) Any individual, other than an individual who is an employee under subdivision (a) or (b), who performs services for remuneration for any employing unit if the contract of service contemplates that substantially all of such services are to be performed personally by such individual either:

(A) As an agent-driver or commission-driver engaged in distributing meat products, vegetable products, fruit products, bakery products, beverages (other than milk), or laundry or drycleaning services, for his principal.

(B) As a traveling or city salesman, other than as an agent-driver or commission-driver, engaged upon a full-time basis in the solicitation on behalf of, and the transmission to, his principal (except for sideline sales activities on behalf of some other person) of orders from wholesalers, retailers, contractors, or operators of hotels, restaurants, or other similar establishments for merchandise for resale or supplies for use in their business operations.

(C) As a home worker performing work, according to specifications furnished by the person for whom the services are performed, on materials or goods furnished by such person which are required to be returned to such person or a person designated by him.

(2) An individual shall not be included in the term "employee" under the provisions of this subdivision if such individual has a substantial investment in facilities used in connection with the performance of such services, other than in facilities for transportation, or if the services are in the nature of a single transaction not part of a continuing relationship with the employing unit for whom the services are performed.

(d) Any individual who is an employee pursuant to Section 601.5, 680, or 681.

CHAPTER 630

An act to amend Sections 5535, 5551, 5552, and 5553 of the Public Resources Code, relating to regional park districts.

[Approved by Governor September 7, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 5535 of the Public Resources Code is amended to read:

5535. The board of directors shall choose one of its members president, and another vice president, who shall act for the president during his absence or disability. The board of directors shall either choose one of its members to serve as secretary and another to serve as treasurer or shall employ one or more administrative secretaries or clerks to perform the duties of secretary or treasurer, or both. The board shall provide for the time and place of holding its meetings, which shall be held at least once each month. All legislative sessions of the board, whether regular or special, shall be open to the public. A majority of the board constitutes a quorum for the transaction of business.

SEC. 2. Section 5551 of the Public Resources Code is amended to read:

5551. The secretary of the board or the administrative secretary, as the case may be, shall countersign and affix the seal to all contracts and conveyances on behalf of the district, shall act as secretary to the board and keep a record of its proceedings, and shall perform such other duties as may be imposed upon him by the board of directors or by this article. The administrative secretary shall give his full time during office hours to the affairs of the district.

SEC. 3. Section 5552 of the Public Resources Code is amended to read:

5552. The controller is the custodian of the funds of the district and shall make payments by check or by warrant drawn upon the district's depositories for obligations that have been first approved by a majority of the board of directors at a meeting thereof. The board of directors also may, by resolution and under such terms and conditions it may prescribe therein, authorize the controller to pay demands against the district, without the prior, specific approval of the board, that are for any purpose for which an expenditure has been previously authorized in the district's adopted budget and which do not exceed the amount of expenditure so authorized. Demands so paid shall be presented to the board of directors at the next regular meeting for its review and approval. If the funds of the district are maintained solely in the county treasury, the county auditor shall exercise the powers otherwise conferred by this section on the controller.

The board of directors shall by ordinance authorize signatories for checks or warrants drawn in payment of obligations and demands against the district. Authorized signatories shall be selected from members of the board of directors of the district, the general manager of the district, and the administrative secretary. A minimum of two signatures shall be required on all checks and warrants.

The controller shall keep an account of all receipts and disbursements, and shall deposit all money received by him in a depository or depositories selected by the board of directors.

SEC. 4. Section 5553 of the Public Resources Code is amended to read:

5553. The controller shall install and maintain a system of auditing and accounting, which will at all times show the financial condition of the district, and he shall perform such other duties as may be imposed upon him by this article, the board, or the general manager. Payment of employee salaries and benefits and other recurring claims may be authorized annually by the board.

SEC. 5. There are no state-mandated local costs in this act that require reimbursement under Section 2231 of the Revenue and Taxation Code because there are no new duties, obligations, or responsibilities imposed on local government by this act.

CHAPTER 631

An act to amend Sections 39610.5, 39640 and 81640 of the Education Code, relating to school and community college contracts.

[Approved by Governor September 7, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 39610.5 of the Education Code is amended to read:

39610.5. The governing board of a school district may construct a mobilehome site on the grounds of any district facility or facilities maintained by the district, including all necessary appurtenances and fixtures, and may pay the cost of utilities, insurance, and necessary services, for the purpose of enabling a responsible person or persons to install and occupy a mobilehome on such site. Such person or persons, who need not be classified as employees of the district, shall, in return for being permitted to install and occupy a mobilehome on the district facility site on terms and conditions acceptable to the governing board, agree to maintain any surveillance over the facility grounds as the school district governing board requires, and to report to district authorities illegal or suspicious activities that are observed.

SEC. 2. Section 39640 of the Education Code is amended to read:

39640. The governing board of any school district shall let any contracts involving an expenditure of more than eight thousand dollars ($8,000) for work to be done or more than twelve thousand dollars ($12,000) for materials or supplies to be furnished, sold, or leased to the district, to the lowest responsible bidder who shall give such security as the board requires, or else reject all bids. This section applies to all materials and supplies whether patented or otherwise.

SEC. 3. Section 81640 of the Education Code is amended to read:

81640. The governing board of any community college district shall let any contracts involving an expenditure of more than eight thousand dollars ($8,000) for work to be done or more than twelve thousand dollars ($12,000) for materials or supplies to be furnished, sold, or leased to the district, to the lowest responsible bidder who shall give such security as the board requires, or else reject all bids. This section applies to all materials and supplies whether patented or otherwise.

CHAPTER 632

An act to add Section 3543.8 to the Government Code, relating to public educational employment relations.

[Approved by Governor September 7, 1977. Filed with Secretary of State September 8, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 3543.8 is added to the Government Code, to read:

3543.8. Any employee organization shall have standing to sue in any action or proceeding heretofore or hereafter instituted by it as representative and on behalf of one or more of its members. The provisions of this section are expressly intended to apply to actions or proceedings commenced prior to, but concluded or pending as of, as well as on and after, the effective date of this section.

CHAPTER 633

An act to add Sections 1168.5 and 1168.7 to the Streets and Highways Code, relating to highways.

[Approved by Governor September 7, 1977. Filed with Secretary of State September 8, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 1168.5 is added to the Streets and Highways Code, to read:

1168.5. Any landowner whose property is located within the division may file a verified petition with the board alleging that the property will not be benefited by any construction, improvement, or maintenance project proposed to be undertaken by the division.

In such case, the board shall set the petition for hearing. Notice of the hearing shall be published in accordance with Section 1196. If, after hearing all of the evidence introduced at such hearing, the board finds and determines that the property will not, in fact, be benefited by the proposed project to be undertaken by the division and if there are no outstanding obligations owed by the landowner to the division, the board may order the property withdrawn and the boundaries modified accordingly. Thereafter, the boundaries as modified shall be the legal boundaries of the division.

SEC. 2. Section 1168.7 is added to the Streets and Highways Code, to read:

1168.7 The board may hold a hearing to determine if any property located outside of a division will benefit from any construction, improvement, or maintenance project proposed to be undertaken by the division.

Notice of the hearing shall be published in accordance with Section 1196. Notice shall also be mailed by the board, at least 10 days prior to the hearing, to all landowners whose property located outside of the division may benefit from the proposed project. The failure to mail any notice, or the failure of any person to receive such notice, shall not affect the validity of any action taken by the board under this section.

If, after hearing all of the evidence introduced at the hearing, the board finds and determines that property located outside of the division will benefit from the project proposed to be undertaken by the division, the board may order the boundaries of the division to be modified so as to include such property. Thereafter, the boundaries as modified shall be the legal boundaries of the division.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because the duties, obligations or responsibilities imposed on local governmental entities or school districts by this act are such that related costs are incurred as part of their normal operating procedures.

CHAPTER 634

An act to add Chapter 3.5 (commencing with Section 375) to Division 1 of the Water Code, relating to water conservation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 7, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Chapter 3.5 (commencing with Section 375) is added to Division 1 of the Water Code, to read:

CHAPTER 3.5. WATER CONSERVATION PROGRAMS

375. Notwithstanding any other provision of the law to the contrary, any public entity which supplies water at retail for the benefit of the inhabitants therein may, by ordinance or resolution adopted by a majority of the members of the governing body thereof after holding a public hearing upon notice thereof and making appropriate findings of necessity therefor, adopt and enforce a water conservation program to reduce the quantity of water used by the inhabitants therein for the purpose of conserving the water supplies of such public entity. Such ordinance or resolution may, for other than agricultural uses, specifically require the installation of water-saving devices which are designed to reduce water consumption. For the purposes of this section, "public entity" means a city, county, district, agency, or any other political subdivision of the state.

376. Any ordinance or resolution adopted pursuant to Section 375 is effective upon adoption. Within 10 days after its adoption, the ordinance or resolution shall be published pursuant to Section 6061 of the Government Code in full in a newspaper of general circulation which is printed, published, and circulated in the district. If there is no such newspaper the ordinance or resolution shall be posted within 10 days after its adoption in three public places within the district.

377. From and after the publication or posting of any ordinance or resolution pursuant to Section 376, violation of a requirement of a water conservation program adopted pursuant to Section 376 is a misdemeanor. Upon conviction thereof such person shall be punished by imprisonment in the county jail for not more than 30 days, or by fine not exceeding five hundred dollars ($500), or by both.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local governmental entities and

school districts which, in the aggregate, do not result in significant identifiable cost changes.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to implement effective conservation programs in sufficient time to relieve the existing severe condition of drought in this state, it is necessary, therefore, that the provisions of this act go into immediate effect.

CHAPTER 635

An act to amend Section 1246 of the Business and Professions Code, relating to venipuncture.

[Approved by Governor September 7, 1977 Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 1246 of the Business and Professions Code is amended to read:

1246. Except as provided in Section 13354 of the Vehicle Code, an unlicensed person employed by a licensed clinical laboratory may perform venipuncture or skin puncture for the purpose of withdrawing blood for test purposes upon specific authorization from a licensed physician and surgeon provided that he meets all the following requirements:

(a) He works under the supervision of a person licensed under this chapter or of a licensed physician or surgeon or of a licensed registered nurse. A person licensed under this chapter, a licensed physician or surgeon, or a registered nurse shall be physically available to be summoned to the scene of the venipuncture within five minutes during the performance of such procedures.

(b) He has been trained by a licensed physician and surgeon or by a clinical laboratory bioanalyst in the proper procedure to be employed when withdrawing blood in accordance with training requirements established by the State Department of Health and has a statement signed by the instructing physician and surgeon or by the instructing clinical laboratory bioanalyst that such training has been successfully completed.

CHAPTER 636

An act to amend Sections 13961, 13962, 13963, 13968, and 13973 of the Government Code, relating to victims of crime.

[Approved by Governor September 7, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 13961 of the Government Code is amended to read:

13961. (a) A victim of a crime of violence may file an application for assistance with the board provided that the victim was a resident of California at the time the crime was committed and either:

(1) The crime was committed in California; or

(2) The person whose injury or death gave rise to the application was a resident of California who was injured or killed while temporarily outside the state.

(b) The board shall supply and make available application forms for this purpose.

(c) The period prescribed for the filing of an application for assistance shall be one year after the date of the crime, unless an extension is granted by the board, except that such period may be extended by the State Board of Control for good cause shown by the victim.

(d) The application for assistance shall be verified and shall contain the following:

(1) A description of the date, nature, and circumstances of the crime or public offense.

(2) A complete financial statement including but not limited to the cost of medical care or burial expense and the loss of wages or support the victim has incurred or will incur and the extent to which the victim has been or may be indemnified for these expenses from any source.

(3) When appropriate, a statement indicating the extent of any disability resulting from the injury incurred.

(4) An authorization permitting the State Board of Control to verify the contents of the application.

(5) Such other information as the board may require.

SEC. 2. Section 13962 of the Government Code is amended to read:

13962. (a) The staff of the board shall appoint a clerk to review all applications for assistance in order to insure that they are complete. If the application is not complete, it shall be returned to the victim with a brief statement of the additional information required. The victim, within 30 days of receipt thereof, may either supply the additional information or appeal such action to the board which shall review the application to determine whether or not it is complete.

(b) If the application is accepted, it shall be promptly verified by

the staff of the State Board of Control. The board thereupon shall consider the application at a hearing at a time and place of its choosing. The board shall notify all interested persons not less than five days prior to the date of the hearing.

(c) The victim shall cooperate with the staff of the State Board of Control in the verification of the information contained in the application. Failure so to cooperate shall be reported to the board, which, in its discretion, may reject the application on this ground alone.

SEC. 3. Section 13963 of the Government Code is amended to read:

13963. (a) At the hearing, the board shall:

(1) Review the application for assistance and the report prepared thereon and any other evidence obtained as a result of the investigation.

(2) Receive such other evidence as the board finds necessary or desirable properly to evaluate the application.

(b) If the victim chooses not to appear at the hearing, the board may act solely upon the application for assistance, the staff's report, and such other evidence as appears in the record.

SEC. 4. Section 13968 of the Government Code is amended to read:

13968. (a) The State Board of Control is hereby authorized to make all needful rules and regulations consistent with the law for the purposes of carrying into effect the provisions of this article.

(b) It shall be the duty of every hospital licensed under the laws of this state to display prominently in its emergency room posters giving notification of the existence and general provisions of this chapter. The board shall set standards for the location of such display and shall provide posters, application forms and general information regarding the provisions of this chapter to each hospital and physician licensed to practice in the State of California.

(c) It shall be the duty of every local law enforcement agency to inform victims of violent crimes of the provisions of this chapter and to provide application forms to victims who desire to seek assistance pursuant to this article. The board shall provide application forms and all other documents which local law enforcement agencies may require to comply with this section. The board shall set standards to be followed by local law enforcement agencies for this purpose and may require them to file with the board a description of the procedures adopted by each agency to comply.

SEC. 5. Section 13973 of the Government Code is amended to read:

13973. Upon presentation of any such claim, the Board of Control shall fix a time and place for the hearing of the claim, and shall mail notices thereof to interested persons or agencies. At the hearing, the board shall receive recommendations from public safety or law enforcement agencies, and evidence showing:

(a) The nature of the crime committed by the apprehended criminal or prevented by the action of the private citizen, or the nature of the action of the private citizen in rescuing a person in immediate danger of injury or death as a result of fire, drowning, or

other catastrophe, and the circumstances involved;

(b) That the actions of the private citizen substantially and materially contributed to the apprehension of a criminal, the prevention of a crime, or the rescuing of a person in immediate danger of injury or death as a result of fire, drowning, or other catastrophe;

(c) That as a direct consequence, the private citizen incurred personal injury or damage to property or died;

(d) The extent of such injury or damage for which the claimant is not compensated from any other source;

(e) Such other evidence as the board may require.

If the board determines, on the basis of a preponderance of such evidence, that the state should indemnify the claimant for the injury, death, or damage sustained, it shall approve the claim for payment. In no event shall a claim be approved by the board under this article in excess of five thousand dollars ($5,000).

In addition to any award made under this article, the board may award, as attorney's fees, an amount representing the reasonable value of legal services rendered a claimant, but in no event to exceed 10 percent of the amount of the award. No attorney shall charge, demand, receive, or collect for services rendered in connection with any proceedings under this article any amount other than that awarded as attorney's fees under this section. Claims approved under this article shall be paid from a separate appropriation made to the State Board of Control in the Budget Act and as such claims are approved by the board.

CHAPTER 637

An act to add Sections 44850.1 and 87419.1 to the Education Code, relating to school district employees.

[Approved by Governor September 7, 1977. Filed with Secretarya of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 44850.1 is added to the Education Code, to read:

44850.1. Notwithstanding Section 44850, and notwithstanding provisions of the charter of any city, county, or city and county to the contrary, on and after January 1, 1978 the certificated employees of a school district serving in an administrative or supervisory position shall neither acquire nor retain permanent status in such position unless the employee is or becomes eligible for permanent status in accordance with provisions of this code.

SEC. 2. Section 87419.1 is added to the Education Code, to read:

87419.1. Notwithstanding Section 87419, and notwithstanding

provisions of the charter of any city, county, or city and county to the contrary, on and after January 1, 1978 the certificated employees of a community college district serving in an administrative or supervisory position shall neither acquire nor retain permanent status in such position unless the employee is or becomes eligible for permanent status in accordance with provisions of this code.

CHAPTER 638

An act to amend Sections 2, 5.1, and 7 of, and to add Sections 3.7, 3.8, 4.14, and 6.3 to, the Mariposa County Water Agency Act (Chapter 2036 of the Statutes of 1959), relating to the Mariposa County Water Agency, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 7, 1977 Filed with Secretary of State September 8, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 2 of the Mariposa County Water Agency Act (Chapter 2036 of the Statutes of 1959) is amended to read:

Sec. 2. As used in this act, the following words shall have the following respective meanings unless the context indicates otherwise:

(a) "Agency" is the Mariposa County Water Agency.

(b) "County" is the County of Mariposa of the State of California.

(c) "United States" is the United States of America including any one or more of the bureaus, commissions, divisions, departments, boards, agencies, and officers of the United States of America.

(d) "State" means the State of California including any one or more of the bureaus, commissions, divisions, departments, boards, agencies, and officers of the State of California.

(e) "Work" or "works" includes dams and dam sites, reservoirs and reservoir sites, and all conduits and other facilities useful in the control, conservation, diversion and transmission of water; power generation and transmission facilities; facilities for the collection, transmission, treatment, and disposal of sewage, waste, or storm water; any replacement, renovation or improvement of the foregoing; and all land, property, franchises, easements, rights-of-way and privileges necessary or useful to operate or maintain any of the foregoing.

(f) "District" means any of the following: irrigation districts, county water districts, water conservation districts, water districts, soil conservation districts, municipalities, towns, flood control districts, county service areas, and any other districts or political subdivisions of the state empowered by law to appropriate water and deliver water to water users or to collect, transmit, treat, or dispose

of sewage, waste, or storm water.

(g) "Public agency" means the United States, the state or any district.

(h) "Elector" or "qualified elector" or "voter" or "qualified voter" means any elector of the county and agency who is qualified under the laws of the State of California to vote in the county at general elections.

(i) "May" is permissive and "shall" is mandatory.

(j) "Board" means the board of directors of the agency.

SEC. 2. Section 3.7 is added to the Mariposa County Water Agency Act (Chapter 2036 of the Statutes of 1959), to read:

Sec. 3.7. The agency shall have the power by resolution or ordinance to adopt regulations respecting the exercise of its powers and the carrying out of its purposes, and to fix and collect rates and charges for the providing or the availability of any service it is authorized to provide or make available or for the sale, lease, or other disposition of water or other product of its works or operations, including standby charges and connection charges.

SEC. 3. Section 3.8 is added to the Mariposa County Water Agency Act (Chapter 2036 of the Statutes of 1959), to read:

Sec. 3.8. The agency may fix standby charges to be applied on an area, frontage, or parcel basis, or a combination thereof, to such areas within the agency to which service is made available, whether the service is actually used or not, for the purpose of financing or maintaining and operating projects which the agency is authorized to undertake. The agency may establish schedules varying such charges according to the land uses and the degree of availability or quantity of use of such service to the affected lands, and may restrict such charge to lands lying within one or more zones established within the agency; provided, however, that the agency may not: (1) fix an annual charge in excess of ten dollars ($10) for each acre or for each parcel of less than one acre; (2) apply standby charges to parcels that are being used for the production of plant crops, including timber, or livestock for market; or (3) apply standby charges to lands situated more than one-quarter of a mile from an available main or service connection. The agency may collect the standby charges as a part of the annual general county tax bill, provided the agency furnishes in writing to the board of supervisors and to the county auditor the description of each parcel for which a charge is to be billed together with the amount of the charge applicable to each parcel in sufficient time to meet the schedule established by the county for inclusion of such items on the county general tax bill. The parcel description may be the parcel number assigned by the county assessor to the parcel. In such cases, the standby charge shall become a lien against the parcel of land to which it is charged in the same manner as the county general taxes. Penalties may be collected for late payment of the standby charge or the amount thereof unpaid in the manner and at the same rates as that applicable for late payment or the amount thereof unpaid of county general taxes. If the agency

collects standby charges through the county general tax bill, the amount of the standby charge and any applicable penalty shall be stated on the tax bill separately from all other taxes, if practicable.

SEC. 4. Section 4.14 is added to the Mariposa County Water Agency Act (Chapter 2036 of the Statutes of 1959), to read:

Sec. 4.14. The agency shall have the power to plan, finance, acquire, construct, operate, and maintain facilities for the collection, transmission, treatment, and disposal of sewage, waste, and storm water. Whenever any area in the agency is provided with a sewer or storm drain system by or with the aid of the agency, the board by ordinance may declare the further maintenance or use of cesspools, septic tanks, or other local means of sewage disposal to be a public nuisance, and may require all buildings inhabited or used by human beings which are not more than 300 feet from such system or any extension thereof to be connected with the system.

SEC. 5. Section 5.1 of the Mariposa County Water Agency Act (Chapter 2036 of the Statutes of 1959) is amended to read:

Sec. 5.1. The agency and any district may enter into contracts with each other for any of the following purposes:

(a) The lease, purchase, or other acquisition by the agency of any of the works of such district.

(b) The construction of works by the agency for the conservation, regulation or transmission of water for the benefit of such district or the furnishing or sale by the agency to such district or by such district to the agency of water or a water supply for any purpose.

(c) The sale, lease, or other disposition of water, a water supply, water rights, or water storage facilities or any interests in any thereof for any purpose by the agency to any district or by any district to the agency.

(d) The operation of works and the delivery of water by the agency to any district or by any district to the agency.

(e) The financing, construction, operation, maintenance, and use of works for the collection, transmission, treatment, or disposal of sewage, waste, or storm water and the providing of service therefrom.

(f) The grant, loan, assignment, or contribution of money, services, or real or personal property by the agency to any district to aid in carrying out any of the purposes and powers of the agency and such district; provided, that the agency shall request and consider the views of the advisory body created pursuant to subdivision (b) of Section 7 of this act respecting any proposed grant, assignment, or contribution under this subdivision before entering into a contract therefor; and provided further, that approval by the agency of any such grant, assignment, or contribution shall require a four-fifths vote of the members of the board.

Such contracts shall be executed in accordance with the laws governing such districts.

SEC. 6. Section 6.3 is added to the Mariposa County Water Agency Act (Chapter 2036 of the Statutes of 1959), to read:

Sec. 6.3. The agency and the County of Mariposa may enter into contracts or agreements with each other in furtherance of their purposes and powers. Among other things and without limiting the generality of the foregoing authorization, said county may provide from money received by it under the "Agreement Between Merced Irrigation District and the County of Mariposa for Settlement of Water Rights Dispute," dated March 1, 1960, or from any other source available to it, and the agency may accept and use grants, loans, assignments, or the contributions of money, services, or real or personal property useful in carrying out any of the purposes or powers of the agency.

SEC. 6.5. Section 7 of the Mariposa County Water Agency Act (Chapter 2036 of the Statutes of 1959) is amended to read:

Sec. 7. (a) The board of supervisors of the county shall be ex officio the board of directors of the agency, and shall be entitled to receive from the agency the sum of twenty dollars ($20) for each meeting attended, plus actual, necessary and reasonable traveling expenses. The basis for compensation of the directors, and the amount thereof, can be altered only by a four-fifths vote of the directors. The board of directors may adopt reasonable rules and regulations to carry out its powers and duties. The board of directors shall elect a chairman, who shall preside at all meetings of the board and in case of his absence or inability to act, the members present must, by an order entered in their records, select one of their number to act as temporary chairman. Any member of the board may administer oaths when necessary in the performance of his official duties. A majority of the members of the board shall constitute a quorum for the transaction of business, but no act of the board shall be valid or binding unless a majority of all members concur therein.

(b) The board of directors shall create by resolution an advisory body, to serve at the pleasure of the board, for the purpose of enabling the board to better fulfill the purposes of this act. The title, number of members, and powers and duties of said advisory body shall be as prescribed by the board. Members of said advisory body shall not be entitled to receive compensation, but may be paid actual, reasonable and necessary travel and other expenses incurred by them in attending meetings or while engaged in official business of the agency.

SEC. 7. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because this act is in accordance with the request of a local governmental entity or entities which desire legislative authority to act to carry out the program specified in this act.

SEC. 8. This act is an urgency statute necessary for the immediate preservation of the public peace, health, and safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

There is an immediate need for planning, financing, constructing, and acquiring water supply systems and sewage, waste, or storm water collection, transmission, treatment, and disposal systems within portions of Mariposa County which have serious water shortages or serious problems of collection, transmission, treatment, or disposal of sewage, waste, or storm water. The Mariposa County Water Agency is a logical entity to provide such systems or to make grants, loans, assignments, or contributions to local public entities within the county to aid them in providing such systems, or to do both, but needs amendment of its powers and the powers of such local public entities as set forth in this act in order to do so. Unless this act takes effect immediately, the agency will have to postpone taking the necessary steps to provide such water supply and sewage, waste, or storm water collection, transmission, treatment, and disposal systems that are necessary to protect the health and safety of residents within the agency.

CHAPTER 639

An act to amend Section 4 of the Mojave Water Agency Law (Chapter 2146 of the Statutes of 1959), relating to the membership of the Board of Directors of the Mojave Water Agency.

[Approved by Governor September 7, 1977. Filed with Secretary of State September 8, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 4 of the Mojave Water Agency Law (Chapter 2146 of the Statutes of 1959) is amended to read:

Sec. 4. The board of directors shall consist of seven directors, all of whom shall be registered to vote within the agency. The directors elected under this act shall hold office until the election and qualifications of their successors.

The term of office of each director shall be four years and as provided in the Uniform District Election Law (Part 3 (commencing with Section 23500) of Division 12 of the Elections Code).

All vacancies occurring in the office of director shall be filled by appointment by a majority of the remaining directors and as provided in Section 1780 of the Government Code. An appointment to fill a vacancy in the office of director shall be for the unexpired term of the office in which the vacancy occurs. The person so chosen to fill a vacancy shall be a resident of the division for which the vacancy is being filled.

Successive elective members of the board of directors shall be elected by the voters of the agency as provided in this act.

The seven members of said board of directors, designated and referred to as members numbered 1 through 7, respectively, shall be

elected, one from each of the seven divisions of the agency provided for in Section 3.1 and as relocated pursuant to Section 32.5. Each such director shall be voted on only by those voters living within the division of which said director is a resident in accordance with the provisions of this act pertaining to the qualifications of directors.

Directors numbers 1, 3, 5, and 7 shall hold office until their successors are elected and qualified at the general district election which shall be held in November, 1979. Directors numbers 2, 4, and 6 shall hold office until their successors are elected and qualified at the general district election which shall be held in November, 1981. This paragraph is declaratory of existing law and shall be interpreted to be a continuation of such existing law.

In case any two or more persons receive an equal number of votes, the board shall forthwith summon the candidates who have received the equal number of votes to appear before it, at a time and place to be designated by the board, and the board shall at that time and place determine by lot which person shall be deemed elected.

The succeeding elective directors shall be nominated and elected at the agency general election which shall be held on the first Tuesday after the first Monday in November in each odd-numbered year. The election shall be conducted in accordance with the provisions of the Uniform District Election Law, and elective directors shall take office at noon on the last Friday in November following the agency general election.

At the time each director is elected he shall be a resident of both the agency and the division he represents. A director who removes his residence from the agency shall no longer be qualified to act as a director and the board shall fill the vacancy so created as provided in this section. A director is not disqualified from serving for the remainder of his term if, during such term, his residence is removed from one division to another.

SEC. 2. Any office of director which was formerly designated and referred to as directors numbers 8, 9, 10, and 11, including the office of one director elected at large in the agency and three offices of directors who were appointed, shall terminate on January 1, 1978.

SEC. 3. The legislature hereby finds and declares that the composition of the Board of Directors of the Mojave Water Agency is both nonresponsive to the will of the people of the agency and fails to comport to the principles of equal protection of the law upon the equality and fairness of the election process in the agency as enunciated by the California Supreme Court in Choudhry v. Free, 17 Cal. 3d 660. The Legislature further finds that under the present composition of such board, the agency has failed to carry out the purposes for which the agency was established, and thereby the composition of the board must be reconstituted.

CHAPTER 640

An act to repeal and add Section 1035.5 of the Insurance Code, relating to insolvent insurers.

[Approved by Governor September 7, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 1035.5 of the Insurance Code is repealed.

SEC. 2. Section 1035.5 is added to the Insurance Code, to read:

1035.5. Notwithstanding the provisions of Article 14 (commencing with Section 1010) of this chapter, with regard only to those insurers subject to this article:

(a) Within 120 days of the issuance of an order directing the winding up and liquidation of the business of an insolvent insurer under Section 1016, the commissioner shall make application to the court for approval of a proposal to disburse such insurer's assets, from time to time as such assets become available, to the California Insurance Guarantee Association and to any entity or person performing a similar function in another state.

(b) Such proposal shall at least include the following provisions for:

(1) Reserving amounts for the payment of expenses of administration and the payment of claims of secured creditors (to the extent of the value of the security held) and claims falling within the priorities established in subdivisions (1) to (4), inclusive, of Section 1033.

(2) Disbursement of the assets marshalled to date and subsequent disbursements of assets as they become available.

(3) Equitable allocation of disbursements to each of the associations entitled thereto.

(4) The securing by the commissioner from each of the associations entitled to disbursements pursuant to this section of an agreement to return to the commissioner such assets previously disbursed as may be required to pay claims of secured creditors and claims falling within the priorities established in subdivisions 1 to 5, inclusive, of Section 1033 in accordance with such priorities. No bond shall be required of any such association.

(5) A full report to be made by the association to the commissioner accounting for all assets so disbursed to the association, all disbursements made therefrom, any interest earned by the association on such assets and any other matter as the court may direct.

(c) The commissioner's proposal shall provide for disbursements to the associations in amounts estimated at least equal to the claim payments made or to be made by the associations for which such associations could assert a claim against the commissioner, and shall further provide that if the assets available for disbursement from

time to time do not equal or exceed the amount of such claim payments made or to be made by the associations then disbursements shall be in the amount of available assets.

(d) Notice of such application shall be given to the associations in and to the commissioners of insurance of each of the states. Any such notice shall be deemed to have been given when deposited in the United States certified mails, first class postage prepaid, at least 30 days prior to submission of such application to the court. Action on the application may be taken by the court provided the above required notice has been given and provided further that the commissioner's proposal complies with paragraphs (1) and (4) of subdivision (b).

CHAPTER 641

An act to amend Section 22053 of, and to add Section 22452 to, the Financial Code, relating to loans.

[Approved by Governor September 7, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 22053 of the Financial Code is amended to read:

22053. The following sections of this division do not apply to any loan of a bona fide principal amount of ten thousand dollars ($10,000) or more, or to any commercial loan of a bona fide principal amount of five thousand dollars ($5,000) or more, or to any commercial loan made to a person engaged in the business of selling goods for the purpose of financing the purchase of goods for resale, or to any commercial loan made in accordance with applicable provisions of the Corporate Securities Law of 1968, the Securities Act of 1933, the Securities Exchange Act of 1934 and Regulation T of the Federal Reserve Board, or to a duly licensed personal property broker in connection with any such loan or loans, if the provisions of this section are not used for the purpose of evading this division: Sections 22004, 22005, 22404, 22405, 22450, 22451, 22451.1, 22452, 22453, 22454, 22455, 22456, 22457, 22458,22458.1, 22458.2, 22458.3, 22458.4, 22458.5, 22459, 22460, 22461, 22462, 22463, 22464, 22465, 22467, 22468, 22469, 22470, 22472, 22473, 22474, 22480, 22650, 22651, and 22652.

SEC. 2. Section 22452 is added to the Financial Code, to read:

22452. (a) As used in this division, "open end loan" means a loan or loans made by a licensee pursuant to a loan agreement which expressly states that it is made pursuant to this section and pursuant to which:

(1) The licensee may permit the borrower to obtain advances of money from the licensee from time to time or the licensee may

advance money on behalf of the borrower from time to time as directed by the borrower.

(2) The amount of each advance and the charges and other permitted costs are debited to an account.

(3) The charges are computed from time to time on the unpaid balances of the borrower's account, excluding from the computation any unpaid charges other than permitted fees, costs and expenses.

(4) The borrower has the privilege of paying the account in full at any time or in monthly installments.

(b) Subject to the written approval of the commissioner of the licensee's plan of business for making open end loans as not being misleading or deceptive and subject to regulations the commissioner may promulgate with respect to open end loans under Section 22400, a licensee may make open end loans pursuant to this section and may contract for and receive thereon charges as set forth in Sections 22451, 22451.1, 22451.5 and 22454.1. Such charges may be calculated on an amount not exceeding the greater of:

(1) The actual daily unpaid balances of the open end account in the billing cycle for which the charge is made, in which case one-thirtieth of the monthly rate may be charged for each day the unpaid balance is outstanding.

(2) The average daily unpaid balance of the openend account in the billing cycle for which the charge is made, which is the sum of the amount unpaid each day during that cycle divided by the number of days in that cycle. The amount unpaid on a day is determined by adding to any balance unpaid as of the beginning of that day all advances and other debits and deducting all payments and other credits made or received as of that day.

The billing cycle shall be monthly. A billing cycle is monthly if the closing date of the cycle is the same date each month or does not vary by more than four days from the regular date.

(c) No licensee shall enter into any agreement for an open end consumer loan that provides for a minimum monthly payment that would result in the full repayment of principal over more than the maximum periods set forth below opposite the respective size of loans.

Principal amount of loan	Maximum period
Less than $1,500	24 months and 15 days
$1,500 but less than $2,500	36 months and 15 days
$2,500 but less than $4,000	48 months and 15 days
$4,000 but less than $6,000	60 months and 15 days
$6,000 but less than $10,000	84 months and 15 days

The minimum payment shall be determined by the amount of the initial loan advance and shall continue at that amount until a subsequent loan advance is made, at which time the minimum payment shall be determined by the amount of the unpaid balance of the loan after the advance and including the advance. Minimum

payments after each advance shall be determined in the same manner.

(d) On open end loans the licensee may contract for and receive the fees, costs and expenses permitted on other loans, including those permitted by subdivisions (a), (b), (c), and (d) of Section 22458 and subdivision (d) of Section 22458.1, except that the charge for credit life insurance under Section 22458.1 shall be on a monthly basis and shall be actuarially consistent with the single premium rate for the same coverage approved or fixed by the Commissioner of Insurance under Section 22458.1, or in accordance with a schedule of monthly rates filed with and not disapproved by the Commissioner of Insurance.

(e) A licensee may not take real property as security, in whole or in part, for an open end loan under this section.

(f) Sections 22454 and 22455 shall apply to open end loans with the following variations:

(1) To comply with Section 22454, the loan contract shall provide for payment of minimum payments complying with subdivision (c) of this section.

(2) To comply with Section 22455, the licensee shall deliver to the borrower at the time of each loan advance an amount equal to the face value of the advance.

(g) In lieu of subdivision (a) of Section 22458.1, Section 22468, and subdivision (a) of Section 22473, the following provisions shall apply to open end loans:

(1) A licensee may provide insurance on the life of one or more borrowers, with his or her consent, the form to be approved by the Insurance Commissioner, and in an amount not in excess of the amount of the indebtedness. If such life insurance is provided, and if the insured dies when there is an outstanding open end loan indebtedness, the insurance shall be sufficient to pay the total amount due on the loan outstanding on the date of his or her death without any exception, reservation or limitation. Any such life insurance as is provided shall be in force as soon as the loan is made or coverage is agreed upon, whichever is later. No credit life insurance written in connection with an open end loan shall be canceled by the lender because of delinquency of the borrower in the making of the minimum payments thereon unless one or more of such payments is past due for a period of 90 days or more, and the lender shall advance to the insurer the amounts required to keep the insurance in force during such period, which amounts may be debited to the borrower's account.

(2) The open end loan agreement shall contain the name, address and license number of the personal property broker and shall disclose the nature of the security taken, the method of determining the minimum payments which will be required to repay the initial advance and any subsequent advances on the loan, and the agreed rate of charge.

(3) Except in the case of an account which the licensee deems to

be uncollectible, or with respect to which delinquency collection procedures have been instituted, the licensee shall deliver or cause to be delivered to the borrower, or any one thereof, for each billing cycle at the end of which there is an outstanding balance in the account or with respect to which a finance charge is imposed, a statement setting forth the outstanding balance in the account at the beginning of the billing cycle, the date and amount of any subsequent loan advance during the period, the amounts and dates of crediting to the account during the billing cycle for payments, the amount of any finance charge debited to the account during the billing cycle, the annual percentage rate of finance charge determined under Regulation Z promulgated by the Board of Governors of the Federal Reserve System under the Federal Consumer Credit Protection Act, the balance on which the finance charge was computed, the closing date of the billing cycle, the outstanding balance on that date, and the minimum monthly payment required in the absence of any additional advance. If there has been any change in the nature of the security for the loan since the next preceding advance, the statement shall contain or be accompanied by a statement of the nature of the security for the loan after such change.

(h) Section 22480 shall not apply to open end loans.

(i) Nothing in this section may be construed to limit the authority of the commissioner to disapprove advertising with respect to open end loans pursuant to Section 22414.

(j) This section shall not apply to loans other than open end loans.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local government entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 642

An act to amend Section 8211 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, relating to child care.

[Approved by Governor September 7, 1977 Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 8211 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

8211. Child development services means child care and preschool programs provided for any part of a workday by public or private agencies and may include, but is not limited to, the following:

(a) Developmental activities for prekindergarten children which are not a part of the formal school program but which will prepare them for effective matriculation into the formal school programs within the community and shall include, but not be limited to, practical life, sensorimotor, perceptual discrimination, language development and symbol-formation activities.

(b) Full- or part-day supervision, developmental activities and instruction for children 14 years of age or younger in a program approved pursuant to this division.

(c) Full- or part-day supervision and developmental activities for children five years of age or younger in a program approved pursuant to this division.

(d) Full- or part-day supervision, developmental activities and instruction of children 14 years of age or younger, for less than 24 hours a day, in a home licensed pursuant to Chapter 3 (commencing with Section 1500) of Division 2 of the Health and Safety Code.

(e) Instruction in children's developmental activities for parents with prekindergarten children.

(f) Part-day preschool educational programs for prekindergarten age children which include, but are not limited to, comprehensive services such as educational development, health services, social services, nutritional services, parent education and parent participation, and staff development, designated as the State Preschool Program. Preschool programs as herein defined for which federal reimbursement is not available, shall be funded as prescribed by the Legislature in the Budget Act and, unless otherwise specified by the Legislature, shall not utilize federal funds made available through Title XX of the Social Security Act.

(g) Social services as necessary to insure parent-child adjustments to out-of-home-care situations, child development referral services, child placement counseling and other support services when the parent is employed, in training, or physically or mentally incapacitated.

(h) Health screening and health treatment to the extent provided by the Medi-Cal Act (Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code).

(i) Nutrition services to provide a balanced diet to needy children enrolled and instruction of food buying and preparation to the parents of children within the child devlopment program.

(j) A nutritionally adequate breakfast or a nutritionally adequate lunch, or both.

For purposes of this article, a nutritionally adequate breakfast or lunch is a breakfast or lunch which meets one-third of the daily dietary allowance as established by the National Research Council.

Where both breakfast and lunch are provided, they shall, together, provide one-half to two-thirds of this recommended daily dietary allowance.

(k) Night shift or late-hour supervision and developmental activities for children 14 years of age or younger in a program approved pursuant to this chapter.

(*l*) Full- or part-day supervision and developmental activities for children six weeks through two years of age at migrant child care centers, including care provided on Saturday or Sunday.

CHAPTER 643

An act to amend Section 16430 of the Government Code, as amended by Chapter 256 of the Statutes of 1977, relating to surplus state funds.

[Approved by Governor September 7, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 16430 of the Government Code, as amended by Chapter 256 of the Statutes of 1977, is amended to read:

16430. Eligible securities for the investment of surplus moneys shall be:

(a) Bonds or interest-bearing notes or obligations of the United States, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

(b) Bonds of this state, or those for which the faith and credit of this state are pledged for the payment of principal and interest.

(c) Bonds or warrants, including, but not limited to, revenue warrants, of any county, city, metropolitan water district, California water district, California water storage district, irrigation district in the State of California municipal utility district, or school district of this state.

(d) Bonds, consolidated bonds, collateral trust debentures, consolidated debentures, or other obligations issued by federal land banks or federal intermediate credit banks established under the Federal Farm Loan Act, as amended, in debentures and consolidated debentures issued by the Central Bank for Cooperatives and banks for cooperatives established under the Farm Credit Act of 1933, as amended, in bonds or debentures of the Federal Home Loan Bank Board established under the Federal Home Loan Bank Act, in stock, bonds, debentures and other obligations of the Federal National Mortgage Association established under the National Housing Act as amended, and in the bonds of any federal home loan bank established under said act, obligations of the Federal Home Loan Mortgage Corporation, and in bonds, notes, and other obligations

issued by the Tennessee Valley Authority under the Tennessee Valley Authority Act as amended.

(e) Commercial paper of "prime" quality as defined by a nationally recognized organization which rates such securities. Eligible paper is further limited to issuing corporations: (1) organized and operating within the United States; (2) having total assets in excess of five hundred million dollars ($500,000,000); and (3) approved by the Pooled Money Investment Board. Purchases of eligible commercial paper may not exceed 180 days' maturity, represent more than 10 percent of the outstanding paper of an issuing corporation, nor exceed 30 percent of the resources of an investment program. At the request of the Pooled Money Investment Board, such investment shall be secured by the issuer by depositing with the Treasurer securities authorized by Section 53651 of a market value at least 10 percent in excess of the amount of the state's investment.

(f) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers acceptances, which are eligible for purchase by the Federal Reserve System.

(g) Negotiable certificates of deposits purchased from a nationally or state-chartered bank or savings and loan association. For the purposes of this section, negotiable certificates of deposits do not come within the provisions of Chapter 4 (commencing with Section 16500) of Part 2 of Division 4 of Title 2 of the Government Code.

(h) The portion of bank loans and obligations guaranteed by the United States Small Business Administration or the United States Farmers Home Administration.

CHAPTER 644

An act to amend Sections 41701 and 41803 of, and to add Section 41804.5 to, the Health and Safety Code, relating to air pollution.

[Approved by Governor September 7, 1977 Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 41701 of the Health and Safety Code is amended to read:

41701. Except as otherwise provided in Section 41704, or Article 2 (commencing with Section 41800) of this chapter other than Section 41812, or Article 2 (commencing with Section 42350) of Chapter 4, no person shall discharge into the atmosphere from any source whatsoever any air contaminant, other than uncombined water vapor, for a period or periods aggregating more than three minutes in any one hour which is:

(a) As dark or darker in shade as that designated as No. 2 on the

Ringelmann Chart, as published by the United States Bureau of Mines, or

(b) Of such opacity as to obscure an observer's view to a degree equal to or greater than does smoke described in subdivision (a).

SEC. 2. Section 41803 of the Health and Safety Code is amended to read:

41803. No authorization, however, under Section 41802 or 41804.5 shall be granted after January 1, 1980, or such earlier date as the state board may determine, based upon a finding that an alternative method of disposal has been developed which is technologically and economically feasible.

SEC. 3. Section 41804.5 is added to the Health and Safety Code, to read:

41804.5. (a) Notwithstanding Section 41800, a district board may authorize, subject to the limitations in Section 41803 and this section, the use of open outdoor fires by a city or county to dispose of nonindustrial wood waste from trees, vines, and brush at disposal sites located above 1,500 feet elevation mean sea level.

(b) Authorization for such burning, if granted, shall be in the form of permits issued by the district and by the fire protection agency having jurisdiction over the area in which the disposal site is located. The permits shall allow burning only on days during which agricultural burning is not prohibited by the state board pursuant to Section 41855.

(c) No permit shall be issued until there is filed with the district a written statement by the owner of the land on which the disposal site is located, or his agent, or if some other person is lawfully in possession of such land, by such other person, approving the burning on such land by the city or county.

(d) Prior to issuing a permit, the district may inspect the wood waste to be burned to verify that it is exclusively nonindustrial wood waste from trees, vines, and brush.

(e) The state board shall approve the use of open outdoor fires at a designated disposal site to dispose of such wood waste if such an operation of the disposal site will not prevent the achievement and maintenance of ambient air quality standards. The approval shall be granted for a minimum of one year.

(f) In seeking approval from the state board to use open outdoor fires at disposal sites throughout the county to dispose of such wood waste, a county may submit its plan for the disposal of such wood waste in the county by the use of open outdoor fires at the disposal sites.

CHAPTER 645

An act to amend Sections 11806 and 11808 of, to add Section 11803 to, and to repeal Section 11818 of, the Vehicle Code, relating to vehicles.

[Approved by Governor September 7, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 11803 is added to the Vehicle Code, to read:

11803. Pending the satisfaction of the department that the applicant has met the requirements under this chapter, it may issue a temporary permit to any person applying for a vehicle salesman's license. The temporary permit shall permit the operation by the salesman for a period not to exceed 120 days while the department is completing its investigation of the applicant for such a license. If the department determines to its satisfaction that the temporary permit was issued upon a fraudulent application or determines or has reasonable cause to believe that the application is incorrect or incomplete or the temporary permit was issued in error, the department may cancel the temporary permit, and such cancellation shall be effective immediately. If, however, the department determines that the information in the application is correct and complete, the temporary permit shall become invalid when the department issues, or refuses to issue, a license, unless within five days of receipt of a notice of refusal to issue and statement of issues, the applicant demands a hearing pursuant to subdivision (c) of Section 11810. The filing of a demand for a hearing shall stay the effective date of the invalidation of the temporary permit, pending a hearing and a determination of the issues. The notice of refusal to issue shall become effective and final five days after its receipt by the applicant.

SEC. 2. Section 11806 of the Vehicle Code is amended to read:

11806. The department, after notice and hearing, may refuse to issue, or may suspend or revoke, a vehicle salesman's license when it determines that:

(a) The applicant or licensee has outstanding an unsatisfied final court judgment rendered in connection with an activity licensed under the authority of this division.

(b) The applicant or licensee has failed to pay over funds or property received in the course of employment to a dealer entitled thereto.

(c) The applicant or licensee has failed to surrender possession of or failed to return any vehicle to a dealer lawfully entitled thereto upon termination of employment.

(d) A cause for refusal, suspension, or revocation exists under the provisions of Sections 11302 to 11909, inclusive.

(e) The applicant or licensee has acted as a dealer by purchasing and selling vehicles while employed by a licensed dealer without reporting the same to the dealer or utilizing the report of sale documents issued to the dealer.

(f) The applicant or licensee has acted as a vehicle salesman or engaged in such activity for, or on behalf of, more than a single person whose business does not have identical ownership and structure. Such activity shall be for a licensed dealer. Nothing contained in this section shall be deemed to restrict the number of dealerships of which a person may be an owner, officer or director, nor to preclude a vehicle salesman from working at more than one location of such single dealer, if the business of such dealer has identical ownership and structure.

(g) The applicant or licensee has acted as a vehicle salesman without having first complied with Section 11812.

SEC. 3. Section 11808 of the Vehicle Code is amended to read:

11808. Every hearing as provided for in this article shall be conducted pursuant to the provisions of Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 4. Section 11818 of the Vehicle Code is repealed.

CHAPTER 646

An act to amend the heading of Article 4 (commencing with Section 9161) of Chapter 1 of Part 1 of Division 5 of, Section 10352 of, to add Sections 9165, 9166, 9167, 9168, and 9169 to, to add Article 5 (commencing with Section 9175) and Article 6 (commencing with Section 9185) to Chapter 1 of Part 1 of Division 5 of, to add Article 8 (commencing with Section 10491) to Chapter 3 of Part 2 of Division 5 of, and to repeal Article 8 (commencing with Section 10491) of Chapter 3 of Part 2 of Division 5 of, the Food and Agricultural Code, relating to animals, and making an appropriation therefor.

[Approved by Governor September 7, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. The heading of Article 4 (commencing with Section 9161) of Chapter 1 of Part 1 of Division 5 of the Food and Agricultural Code is amended to read:

Article 4. Violations and Penalties

SEC. 2. Section 9165 is added to the Food and Agricultural Code, to read:

9165. Except for Sections 10492 and 10494, any person that violates

any provision of this division is guilty of a misdemeanor and upon conviction shall be punished by a fine of not less than fifty dollars ($50) nor more than five hundred dollars ($500), or by imprisonment of not less than 10 days nor more than six months, or by both such fine and imprisonment.

SEC. 3. Section 9166 is added to the Food and Agricultural Code, to read:

9166. Any person who violates any provision of this division, or any regulation which is issued pursuant to it, is liable civilly for a penalty in an amount not to exceed a sum of five hundred dollars ($500) for each violation. Each violation during any day constitutes a separate offense. Any money which is recovered under this section shall be paid into the State Treasury and shall be credited to the Department of Food and Agriculture Fund.

SEC. 4. Section 9167 is added to the Food and Agricultural Code, to read:

9167. The Attorney General shall, upon complaint by the director, or may, upon his own initiative, if after examination of the complaint and evidence he believes a violation has occurred, bring an action for civil penalties in the name of the people of this state in any court of competent jurisdiction in this state against any person violating any provision of this division.

SEC. 5. Section 9168 is added to the Food and Agricultural Code, to read:

9168. The Attorney General shall, upon complaint by the director, or may upon his own initiative, if after examination of the complaint and evidence he believes a violation has occurred, bring an action in the name of the people of this state in the superior court for an injunction against any person violating any provision of this division or any regulation which is adopted by the director pursuant to it.

Any proceedings pursuant to this section shall conform to the requirements of Chapter 3 (commencing with Section 525) of Title 7 of Part 2 of the Code of Civil Procedure. The director shall not, however, be required to allege facts necessary to show or tending to show lack of adequate remedy at law or to show or tending to show irreparable damage or loss.

SEC. 6. Section 9169 is added to the Food and Agricultural Code, to read:

9169. It is unlawful for any person to defeat or interfere with or to attempt to defeat or interfere with any animal disease test authorized by any provision of this division.

SEC. 7. Article 5 (commencing with Section 9175) is added to Chapter 1 of Part 1 of Division 5 of the Food and Agricultural Code, to read:

Article 5. Investigations

9175. The director may make any necessary investigations relative to reported violations of this division, pursuant to Article 2

(commencing with Section 11180) of Chapter 2 of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 8. Article 6 (commencing with Section 9185) is added to Chapter 1 of Part 1 of Division 5 of the Food and Agricultural Code, to read:

Article 6. Collections

9185. Any fees which are provided for by any provision of this division and regulations promulgated pursuant to it shall be due and payable upon receipt of a statement from the department itemizing the kind and amount of such fees. Such fees shall be paid to the director within 30 days of the receipt of the statement.

9186. Any fees which are due and payable pursuant to Section 9185 which are not paid may be recovered by the director in accordance with the provisions of Section 281.

9187. A penalty assessment of 5 percent per month of the amount of any unpaid fees, not to exceed 25 percent, shall be collected by the director when fees are not paid in accordance with Section 9185.

9188. The director shall have a lien upon any livestock and real property owned by the person owing any fees due under any provision of this division that are not paid pursuant to Section 9185.

9189. All money which is collected pursuant to this division shall be paid into the State Treasury and shall be credited to the Department of Food and Agriculture Fund and may be expended in carrying out the provisions of this division.

SEC. 9. Section 10352 of the Food and Agricultural Code is amended to read:

10352. Each calf which is vaccinated pursuant to this chapter shall have an official tattoo placed in the right ear by the veterinarian who performs the service that shows the period within which the animal was vaccinated, or such other evidence of vaccination or identification as the department may by regulation specify.

SEC. 10. Article 8 (commencing with Section 10491) of Chapter 3 of Part 2 of Division 5 of the Food and Agricultural Code is repealed.

SEC. 11. Article 8 (commencing with Section 10491) is added to Chapter 3 of Part 2 of Division 5 of the Food and Agricultural Code, to read:

Article 8. Brucellosis Eradication Compensation Costs

10491. The Legislature finds and declares brucellosis is a severe and debilitating disease in human beings and is a serious disease of cattle, swine, sheep and goats. Elimination of brucellosis in California is of public benefit since human beings contract the disease directly from animals or their products, and it is necessary to provide protection to both the livestock industry and the public health.

The Legislature therefore declares that livestock infected with or exposed to brucellosis are a public nuisance as a threat to other

livestock and to human health. The Legislature therefore declares that the eradication of brucellosis must be expedited.

It is, therefore, the intent of the Legislature that the owner of an infected herd of cattle who does not diligently pursue the eradication of brucellosis from his herd in cooperation with his veterinarian, other cattlemen and the department, shall be responsible for paying to the director the full costs of the department for all brucellosis eradication efforts in his herd in accordance with the provisions of this article. Payment of such costs shall not excuse compliance with the provisions of law, regulations and order of the director, nor be a defense in criminal or civil actions.

10492. If an owner of cattle refuses to slaughter exposed, nonreacting bovine animals pursuant to the provisions of Article 7 (commencing with Section 10421) when requested by the director to do so, the cattle owner shall then be responsible for paying to the director the full costs of the department in eradicating brucellosis from his herd. Such responsibility shall begin with the refusal to slaughter exposed, nonreacting animals and shall continue until brucellosis is eradicated from the herd.

10493. The following procedures shall be followed when brucellosis has been identified in a herd of cattle:

(a) An official veterinarian shall conduct an epidemiological investigation of the infected herd and premises involved in order to determine the specific methods and actions necessary to eradicate the disease from the herd.

(b) Upon request of the owner of the infected herd, the investigation provided for in subdivision (a) shall be conducted with the assistance and participation of a licensed veterinarian selected by such owner.

(c) An official epidemiological report shall be prepared which shall specify the methods and actions necessary to eradicate the disease, and shall include reasonable guidelines for timing the accomplishment of the various tasks associated with such activity.

(d) Any person who is aggrieved at any determination made pursuant to this section may appeal in writing to the director within five days after notice of such determination. The director may affirm, reverse or modify such determination after his review of the epidemiological report and the issues involved.

(e) The epidemiological report required by subdivision (c) shall become the basis for a memorandum of understanding which shall be developed between the owner of the infected herd and the department covering the following points:

(1) Herd management practices that will be employed to facilitate the disease eradication effort.

(2) Any physical facilities modification that will be required in the eradication effort.

(3) Specific dates for accomplishing the various tasks required in the eradication effort.

This memorandum of understanding may be developed with the

participation of a licensed veterinarian if such veterinarian participated in the epidemiological investigation pursuant to subdivision (b).

10494. If an owner of brucellosis infected or exposed cattle refuses to participate in the development and signing of the memorandum of understanding required by subdivision (e) of Section 10493, or fails or refuses to comply with the provisions of such memorandum, the cattle owner shall immediately become responsible for paying to the director all further costs incurred by the department in eradicating the disease from the herd of cattle owned by such person.

10495. If an owner of a brucellosis infected herd violates any law or regulation pertaining to brucellosis eradication, the cattle owner shall immediately become responsible for paying to the director all further costs incurred by the department in eradicating the disease from the herd of cattle owned by such person.

SEC. 12. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local government entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 647

An act to amend Section 1751 of, and to add Section 1711.6 to, the Welfare and Institutions Code, relating to the Department of the Youth Authority, and making an appropriation therefor.

[Approved by Governor September 7, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 1751 of the Welfare and Institutions Code is amended to read:

1751. (a) The Authority is authorized to make and enforce all rules appropriate to the proper accomplishment of its functions. Such rules and regulations shall be promulgated and filed pursuant to Chapter 4.5 (commencing with Section 11371) of Part 1 of Division 3 of Title 2 of the Government Code, and shall, to the extent practical, be stated in language that is easily understood by the general public.

(b) The Authority shall maintain, publish and make available to the general public, a compendium of the rules and regulations promulgated by the Authority pursuant to this section.

(c) The following exceptions to the procedures specified in this

section shall apply to the Department of the Youth Authority:

(1) The required notice may be given at any time at least 20 days prior to the adoption, amendment, or repeal of a rule or regulation.

(2) The Authority may specify an effective date that is any time more than 30 days after the rule or regulation is submitted to the Office of Administrative Hearings; provided that (i) it has been filed with the Secretary of State by the effective date and (ii) no less than 20 days prior to such effective date, copies of the rule or regulation shall be posted in conspicuous places throughout each institution and shall be mailed to all persons or organizations who request them.

(3) The Authority may rely upon a summary of the information compiled by a hearing officer; provided that the summary and the testimony taken regarding the proposed action shall be retained as part of the public record for at least one year after the adoption, amendment, or repeal.

SEC. 2. Section 1711.6 is added to the Welfare and Institutions Code, to read:

1711.6. (a) Any rules and regulations, including any resolutions and policy statements, promulgated by the Youth Authority Board, shall be promulgated and filed pursuant to Chapter 4.5 (commencing with Section 11371) of Part 1 of Division 3 of Title 2 of the Government Code, and shall, to the extent practical, be stated in language that is easily understood by the general public.

(b) The board shall maintain, publish and make available to the general public, a compendium of its rules and regulations, including any resolutions and policy statements, promulgated pursuant to this section.

(c) The following exceptions to the procedures specified in this section shall apply to the board:

(1) The required notice may be given at any time at least 20 days prior to the adoption, amendment, or repeal of a rule or regulation.

(2) The chairman may specify an effective date that is any time more than 30 days after the rule or regulation is submitted to the Office of Administrative Hearings; provided that (i) it has been filed with the Secretary of State by the effective date and (ii) no less than 20 days prior to such effective date, copies of the rule or regulation shall be posted in conspicuous places throughout each institution and shall be mailed to all persons or organizations who request them.

SEC. 3. It is the intent of the Legislature that any rules and regulations of the Department of the Youth Authority or the Youth Authority Board existing on the effective date of this act, shall be heard and adopted pursuant to the provisions of the Administrative Procedure Act before July 1, 1979.

SEC. 4. There is hereby appropriated from the General Fund to the State Controller for distribution to the Department of the Youth Authority, and to the Youth Authority Board, the sum of ninety thousand dollars ($90,000), or as much thereof as may be necessary, for the purposes of this act.

SEC. 5. This act shall become operative on January 1, 1979.

CHAPTER 648

An act to add Sections 43005 and 51547 to, and Article 12 (commencing with Section 53925) to Chapter 4 of Part 1 of Division 2 of Title 5 of, the Government Code, to add Section 16660 to the Public Utilities Code, and to amend Section 51609 of, and to add Sections 26133, 31708, 36959, 37214, and 70244 to, the Water Code, relating to taxation.

[Approved by Governor September 7, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 43005 is added to the Government Code, to read:

43005. In the case of a sale of property for taxes or special assessments, all proceeds shall be accounted for and distributed as provided in Article 12 (commencing with Section 53925) of Chapter 4 of Part 1 of Division 2 of Title 5.

SEC. 2. Section 51547 is added to the Government Code, to read:

51547. In the case of a sale of property for taxes or special assessments, except where the sale is conducted and the funds are accounted for as provided in Division 1 (commencing with Section 101) of the Revenue and Taxation Code, all proceeds shall be accounted for and distributed as provided in Article 12 (commencing with Section 53925) of Chapter 4 of Part 1 of Division 2 of this title.

SEC. 3. Article 12 (commencing with Section 53925) is added to Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code, to read:

Article 12. Proceeds of Sale for Taxes or Assessments

53925. This article shall govern the distribution of proceeds of any sale by a local agency of real property for taxes or special assessments, except where the sale is conducted and the proceeds are accounted for as provided in Division 1 (commencing with Section 101) of the Revenue and Taxation Code.

53926. There shall first be distributed to the general fund of the agency conducting the sale for its costs, one hundred fifty dollars ($150) for all or any portion of each separately valued parcel of real property, and amounts to reimburse the agency for the costs of advertising the sales.

53927. After satisfaction of the amount specified in Section 53926, the proceeds shall be distributed as follows:

(a) An amount of the proceeds up to but no greater than the amount required, at the time of sale by the agency, to redeem the property from the sale shall be distributed as follows:

(1) A pro rata share shall be distributed to each assessment fund in an amount bearing the same proportion as the assessment due each fund bears to the total amount of taxes and assessments necessary to redeem the property at the time of sale by the agency.

(2) The remaining balance of the proceeds to be distributed under this section shall be distributed to each tax fund in an amount bearing the same proportion to the balance remaining as the tax rate for each fund bears to the total tax rate applicable to the property for the fiscal year preceding that in which the property was sold by the agency.

(b) After satisfaction of the amounts specified in subdivision (a), an amount of the proceeds necessary to satisfy current taxes and assessments and applicable penalties and costs thereon shall be distributed as if the property had not been sold by any agency for collection of taxes or special assessments.

53928. After satisfaction of the amounts distributed under Sections 53926 and 53927, any excess in the proceeds shall be deposited by the agency conducting the sale in a delinquent tax sale trust fund. The excess proceeds shall be retained in such fund on account of, and may be claimed by, parties of interest in the property as provided in Section 53929. At the expiration of one year following the execution of the deed to the purchaser, any excess proceeds not claimed under Section 53929 shall be distributed as provided in paragraph (2) of subdivision (a) of Section 53927.

53929. Any party of interest in the property at the time of sale for taxes or special assessments may file with the agency conducting the sale a claim for excess proceeds any time prior to the expiration of one year following the execution of the deed to the purchaser.

The claims shall contain any information and proof deemed necessary by the governing body of the agency conducting the sale to establish the claimant's rights to all or any portion of the excess proceeds.

No sooner than one year following the execution of the deed to the purchaser, and if the excess proceeds have been claimed by any party of interest as provided herein, such excess proceeds shall be distributed on order of the governing body of the agency conducting the sale to the parties of interest in the order of priority set forth in subdivisions (a) and (b). For the purposes of this article, parties of interest and their order of priority are:

(a) First, lienholders of record prior to the property being sold for taxes or assessments, in the order of their priority, as to liens that were extinguished by such sale; and

(b) Then, any person who would be established with title to all or any portion of the property by redemption of such property immediately prior to the sale.

In the event more than one party of interest, as defined in subdivisions (a) and (b) of this section, file claims for the excess proceeds as provided herein, the governing body of the agency conducting the sale shall give all claimants opportunity for a hearing

to establish the priority and extent of their claim following a period of at least 30 days after written notice has been given to each claimant. Any action or proceeding to review the decision of the governing body shall be commenced within 90 days after the date of such decision of the governing body.

53929.1. This article shall not apply to proceedings under the Improvement Act of 1911 (Division 7 (commencing with Section 5000) of the Streets and Highways Code) and the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500) of the Streets and Highways Code).

SEC. 4. Section 16660 is added to the Public Utilities Code, to read:

16660. Notwithstanding any provision of this chapter to the contrary, in the case of a sale of property for taxes or assessments, except where the sale is conducted and the funds are accounted for as provided in Division 1 (commencing with Section 101) of the Revenue and Taxation Code, all proceeds shall be accounted for and distributed as provided in Article 12 (commencing with Section 53925) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code.

SEC. 5. Section 26133 is added to the Water Code, to read:

26133. Notwithstanding any other provision of this part to the contrary, in the case of a sale of property for taxes or assessments, except where the sale is conducted and the funds are accounted for as provided in Division 1 (commencing with Section 101) of the Revenue and Taxation Code, all proceeds shall be accounted for and distributed as provided in Article 12 (commencing with Section 53925) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code.

SEC. 6. Section 31708 is added to the Water Code, to read:

31708. Notwithstanding any other provision of this part to the contrary, in the case of a sale of property for taxes or assessments, except where the sale is conducted and the funds are accounted for as provided in Division 1 (commencing with Section 101) of the Revenue and Taxation Code, all proceeds shall be accounted for and distributed as provided in Article 12 (commencing with Section 53925) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code.

This section shall apply with respect to any district assessing, levying, or collecting its own taxes under Chapter 3 (commencing with Section 31730) as provided for in Section 8 of Chapter 592 of the Statutes of 1967.

SEC. 7. Section 36959 is added to the Water Code, to read:

36959. Notwithstanding any other provision of this part to the contrary, in the case of a sale of property for taxes or assessments, except where the sale is conducted and the funds are accounted for as provided in Division 1 (commencing with Section 101) of the Revenue and Taxation Code, all proceeds shall be accounted for and distributed as provided in Article 12 (commencing with Section

53925) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code.

SEC. 8. Section 37214 is added to the Water Code, to read:

37214. Notwithstanding any other provision of this part to the contrary, in the case of a sale of property for taxes or assessments, except where the sale is conducted and the funds are accounted for as provided in Division 1 (commencing with Section 101) of the Revenue and Taxation Code, all proceeds shall be accounted for and distributed as provided in Article 12 (commencing with Section 53925) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code.

SEC. 9. Section 51609 of the Water Code is amended to read:

51609. In the case of a sale of property for taxes or assessments, except where the sale is conducted and the funds are accounted for as provided in Division 1 (commencing with Section 101) of the Revenue and Taxation Code, all proceeds shall be accounted for and distributed as provided in Article 12 (commencing with Section 53925) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code.

SEC. 10. Section 70244 is added to the Water Code, to read:

70244. In the case of a sale of property for taxes or assessments, except where the sale is conducted and the funds are accounted for as provided in Division 1 (commencing with Section 101) of the Revenue and Taxation Code, all proceeds shall be accounted for and distributed as provided in Article 12 (commencing with Section 53925) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code.

SEC. 11. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be an appropriation made by this act because self-financing authority is provided in this act to cover such costs.

CHAPTER 649

An act to amend Section 22511.5 of the Vehicle Code, relating to vehicles.

[Approved by Governor September 7, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 22511.5 of the Vehicle Code is amended to read:

22511.5. (a) Any person who has lost, or has lost the use of, one or more limbs or both hands, who is so severely disabled as to be unable to move without the aid of a mechanical device, who is blind, or who suffers from lung disease to such an extent that his forced

(respiratory) expiratory volume one second when measured by spirometry is less than one liter or his arterial oxygen tension (pO_2) is less than 60 mm/Hg on room air at rest, shall be allowed to park for unlimited periods in parking zones restricted as to the length of time parking is permitted and shall be allowed to park in any metered parking space without being required to pay any parking meter fees. This section shall have no application to those zones in which the stopping, parking, or standing of all vehicles is prohibited or which are reserved for special types of vehicles. As a condition to this privilege the vehicle shall display a distinguishing license plate which shall be issued for a vehicle registered to the disabled person, or a vehicle which is not registered to such a disabled person, but which is used primarily to transport such disabled person and which would otherwise qualify for such distinguishing license plate if the vehicle were registered to the disabled person. The distinguishing license plate shall be issued without additional fees by the Department of Motor Vehicles pursuant to procedures adopted by that department.

(b) Prior to issuing a distinguishing license plate to a person who indicates that he suffers from lung disease to the extent specified in this section, the Department of Motor Vehicles may require a certificate, signed by a licensed physician and surgeon, stating that such person does suffer from lung disease to such an extent.

(c) As used in this section, "blind" means having central visual acuity that does not exceed 20/200 in the better eye, with corrective lenses, as measured by the Snellen test, or visual acuity that is greater than 20/200, but with a limitation in the field of vision such that the widest diameter of the visual field subtends an angle not greater than 20 degrees. The blindness of any person applying to the Department of Motor Vehicles for a distinguishing license plate or placard shall be certified by a licensed physician and surgeon who specializes in diseases of the eye.

(d) Any person who qualifies for issuance of a distinguishing license plate may apply to the Department of Motor Vehicles for issuance of a distinguishing placard. Such placard may be used in lieu of the distinguishing license plate for parking purposes when displayed on the driver's side of the dashboard of a vehicle. The placard shall be at least 6 inches by 12 inches in size, and blue in color.

(e) The Department of Motor Vehicles may charge a fee sufficient to pay the actual cost to that department for issuance of such placards. The Department of Motor Vehicles may establish procedures for the issuance of such placards.

SEC. 2. Section 22511.5 of the Vehicle Code is amended to read:

22511.5. (a) Any person who has lost, or has lost the use of, one or more limbs or both hands, who is so severely disabled as to be unable to move without the aid of a mechanical device, who is blind, who suffers from lung disease to such an extent that his forced (respiratory) expiratory volume one second when measured by spirometry is less than one liter or his arterial oxygen tension (pO_2)

is less than 60 mm/Hg on room air at rest, or who is impaired by cardiovascular disease to the extent that his functional limitations are classified in severity as class III or class IV according to standards accepted by the American Heart Association, shall be allowed to park for unlimited periods in parking zones restricted as to the length of time parking is permitted and shall be allowed to park in any metered parking space without being required to pay any parking meter fees. This section shall have no application to those zones in which the stopping, parking, or standing of all vehicles is prohibited or which are reserved for special types of vehicles. As a condition to this privilege the vehicle shall display a distinguishing license place which shall be issued for a vehicle registered to the disabled person, or a vehicle which is not registered to such a disabled person, but which is used primarily to transport such disabled person and which would otherwise qualify for such distinguishing license plate if the vehicle were registered to the disabled person. The distinguishing license plate shall be issued without additional fees by the Department of Motor Vehicles pursuant to procedures adopted by that department.

(b) Prior to issuing a distinguishing license plate to a person who indicates that he suffers from lung disease or cardiovascular disease to the extent specified in this section, the Department of Motor Vehicles may require a certificate, signed by a licensed physician and surgeon, stating that such person does suffer from lung disease or cardiovascular disease to such an extent.

(c) As used in this section, "blind" means having central visual acuity that does not exceed 20/200 in the better eye, with corrective lenses, as measured by the Snellen test, or visual acuity that is greater than 20/200, but with a limitation in the field of vision such that the widest diameter of the visual field subtends an angle not greater than 20 degrees. The blindness of any person applying to the Department of Motor Vehicles for a distinguishing license plate or placard shall be certified by a licensed physician and surgeon who specializes in diseases of the eye.

(d) Any person who qualifies for issuance of a distinguishing license plate may apply to the Department of Motor Vehicles for issuance of a distinguishing placard. Such placard may be used in lieu of the distinguishing license plate for parking purposes when displayed on the driver's side dashboard of a vehicle. The placard shall be at least 6 inches by 12 inches in size and blue in color.

(e) The Department of Motor Vehicles may charge a fee sufficient to pay the actual cost to that department for issuance of such placards. The Department of Motor Vehicles may establish procedures for the issuance of such placards.

SEC. 3. Except as otherwise provided in Section 4 of this act, Section 1 of this act shall become operative on July 1, 1978.

SEC. 4. It is the intent of the Legislature, if this bill and Assembly Bill No. 456 are both chaptered and become effective January 1, 1978, both bills amend Section 22511.5 of the Vehicle Code, operative July

1, 1978, and this bill is chaptered after Assembly Bill No. 456, that the amendments to Section 22511.5 proposed by both bills be given effect and incorporated in Section 22511.5 in the form set forth in Section 2 of this act. Therefore, Section 2 of this act shall become operative only if this bill and Assembly Bill No. 456 are both chaptered and become effective January 1, 1978, both amend Section 22511.5, operative July 1, 1978, and this bill is chaptered after Assembly Bill No. 456, in which case Section 2 of this act shall become operative July 1, 1978, and Section 1 of this act shall not become operative.

CHAPTER 650

An act to amend Section 6254 of the Government Code, and to amend Sections 44530, 44532, 44540, 44542, 44543, 44546, 44551, 44553, and 44557 of, and to add Sections 44532.2, 44541.2, 44548, and 44552.5 to, the Health and Safety Code, relating to pollution, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 7, 1977 Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 6254 of the Government Code is amended to read:

6254. Except as provided in Section 6254.7, nothing in this chapter shall be construed to require disclosure of records that are:

(a) Preliminary drafts, notes, or interagency or intra-agency memoranda which are not retained by the public agency in the ordinary course of business, provided that the public interest in withholding such records clearly outweighs the public interest in disclosure;

(b) Records pertaining to pending litigation to which the public agency is a party, or to claims made pursuant to Division 3.6 (commencing with Section 810) of Title 1 of the Government Code, until such litigation or claim has been finally adjudicated or otherwise settled;

(c) Personnel, medical, or similar files, the disclosure of which would constitute an unwarranted invasion of personal privacy;

(d) Contained in or related to:

(1) Applications filed with any state agency responsible for the regulation or supervision of the issuance of securities or of financial institutions, including, but not limited to, banks, savings and loan associations, industrial loan companies, credit unions, and insurance companies;

(2) Examination, operating, or condition reports prepared by, on behalf of, or for the use of any state agency referred to in subdivision

(1);

(3) Preliminary drafts, notes, or interagency or intra-agency communications prepared by, on behalf of, or for the use of any state agency referred to in subdivision (1); or

(4) Information received in confidence by any state agency referred to in subdivision (1).

(e) Geological and geophysical data, plant production data and similar information relating to utility systems development, or market or crop reports, which are obtained in confidence from any person;

(f) Records of complaints to or investigations conducted by, or records of intelligence information or security procedures of, the office of the Attorney General and the Department of Justice, and any state or local police agency, or any such investigatory or security files compiled by any other state or local police agency, or any such investigatory or security files compiled by any other state or local agency for correctional, law enforcement or licensing purposes, except that local police agencies shall disclose the names and addresses of persons involved in, or witnesses other than confidential informants to, the incident, the description of any property involved, the date, time, and location of the incident, all diagrams, statements of the parties involved in the incident, the statements of all witnesses, other than confidential informants, to the persons involved in an incident, or an authorized representative thereof, an insurance carrier against which a claim has been or might be made, and any person suffering bodily injury or property damage as the result of the incident caused by arson, burglary, fire, explosion, robbery, vandalism, or a crime of violence as defined by subdivision (b) of Section 13960, unless the disclosure would endanger the safety of a witness or other person involved in the investigation, disclosure would endanger the successful completion of the investigation or a related investigation;

(g) Test questions, scoring keys, and other examination data used to administer a licensing examination, examination for employment, or academic examination;

(h) The contents of real estate appraisals, engineering or feasibility estimates and evaluations made for or by the state or local agency relative to the acquisition of property, or to prospective public supply and construction contracts, until such time as all of the property has been acquired or all of the contract agreement obtained, provided, however, the law of eminent domain shall not be affected by this provision;

(i) Information required from any taxpayer in connection with the collection of local taxes which is received in confidence and the disclosure of the information to other persons would result in unfair competitive disadvantage to the person supplying such information;

(j) Library and museum materials made or acquired and presented solely for reference or exhibition purposes;

(k) Records the disclosure of which is exempted or prohibited

pursuant to provisions of federal or state law, including, but not limited to, provisions of the Evidence Code relating to privilege;

(*l*) Correspondence of and to the Governor or employees of the Governor's office or in the custody of or maintained by the Governor's legal affairs secretary, provided public records shall not be transferred to the custody of the Governor's legal affairs secretary to evade the disclosure provisions of this chapter;

(m) In the custody or maintained by the Legislative Counsel;

(n) Statements of personal worth or personal financial data required by a licensing agency and filed by an applicant with such licensing agency to establish his personal qualification for the license, certificate, or permit applied for; and

(o) Financial data contained in applications for financing under Division 27 (commencing with Section 44500) of the Health and Safety Code, where an authorized officer of the California Pollution Control Financing Authority determines that disclosure of such financial data would be competitively injurious to the applicant and such data is required in order to obtain guarantees from the United States Small Business Administration. The California Pollution Control Financing Authority shall adopt rules for review of individual requests for confidentiality under this section and for making available to the public those portions of an application which are subject to disclosure under this chapter.

Nothing in this section is to be construed as preventing any agency from opening its records concerning the administration of the agency to public inspection, unless disclosure is otherwise prohibited by law.

SEC. 2. Section 44530 of the Health and Safety Code is amended to read:

44530. When the principal of and interest on bonds of the authority financing the cost of a particular project for a participating party, including any refunding bonds issued to refund and refinance such bonds, shall have been fully paid and retired or when adequate provision shall have been made for the payment and retirement of the same, and all other conditions of the resolution, indenture, or agreement authorizing and securing the same shall have been satisfied and the lien of such resolution, indenture, or agreement shall have been released in accordance with the provisions thereof, the authority is authorized, upon such terms and conditions as may be prescribed by the authority, to execute such deeds and conveyances as are necessary or required to convey title to such project to such participating party.

SEC. 3. Section 44532 of the Health and Safety Code is amended to read:

44532. Throughout each calendar quarter the authority shall accept applications for financing proposed projects. Eligible applicants shall be limited to participating parties who own or operate facilities requiring pollution control equipment which may be provided pursuant to this chapter. After the close of each such

quarter, the authority shall determine by resolution those projects which it will finance. However, with respect to individual projects with a project cost of less than one million dollars ($1,000,000), the authority may authorize financing for such projects any time during the calendar quarter if the project meets the criteria specified in subdivision (a) and if the compliance date mandated for correction of the pollution problem is less than one year from the date of approval. The financing of projects shall be determined on the basis of the following priorities:

(a) First priority shall be given to projects which are necessary to meet an established federal, state, or local deadline for correction of existing pollution problems caused by existing facilities.

(b) Second priority shall be given to projects which are necessary to enable existing facilities to comply with federal, state, or local plans for environmental protection but for which no specific compliance date has been established.

(c) Third priority shall be given to other eligible projects.

SEC. 3.5. Section 44532.2 is added to the Health and Safety Code, to read:

44532.2. To the extent that separate funding has been authorized for projects to control pollution from electrical generation facilities pursuant to Section 44541.7, the authority shall separately accept applications for such projects which have been certified as provided in Section 44531. Applications accepted under this section shall be reviewed on a quarterly basis and financing allocated in accordance with the priorities specified in Section 44532. Section 44533 shall not apply to projects financed pursuant to this section.

SEC. 4. Section 44540 of the Health and Safety Code is amended to read:

44540. The authority is authorized to incur indebtedness and to issue securities of any kind or class, and to renew the same, provided that all such indebtedness, howsoever evidenced, shall be payable solely from revenues of the authority and the proceeds of its bonds, as hereinafter defined, shall not exceed the sum of two hundred million dollars ($200,000,000) of new debt, except as provided in this article.

"New debt," as used in this section, shall not include indebtedness incurred to replenish or refund existing debts except to the extent that such indebtedness exceeds the amount of such debts.

SEC. 4.5. Section 44541.2 is added to the Health and Safety Code, to read:

44541.2. (a) The authority may separately issue bonds to provide financing for projects to alleviate pollution from facilities for the generation of electrical energy which are or will be owned and operated in this state by a public utility subject to the jurisdiction of the Public Utilities Commission.

(b) At such times as the authority desires to issue bonds to separately finance projects pursuant to this section and Section 44532.2, it shall adopt a resolution specifying the total amount of such

bonds proposed to be issued. The amount of bonds specified in any such resolution shall not exceed two hundred million dollars ($200,000,000) of new debt. Such resolution shall be submitted to the Legislature and shall be subject to review as provided in Section 44541.

(c) Notwithstanding subdivision (b), the authority may issue up to one hundred million dollars ($100,000,000) in bonds for purposes of subdivision (a) without having to submit a resolution to the Legislature for review pursuant to Section 44541.

(d) The proceeds of bonds authorized shall be used solely to finance projects specified in this section and shall be issued as otherwise provided in this chapter.

SEC. 5. Section 44542 of the Health and Safety Code is amended to read:

44542. (a) The authority is authorized from time to time to issue its negotiable bonds, notes, debentures, or other securities (hereinafter collectively called "bonds") for any corporate purpose. Such bonds may be authorized, without limiting the generality of the foregoing, to finance a single project for a single participating party, a series of projects for a single participating party, a single project for several participating parties, or several projects for several participating parties or such bonds may be sold in advance of the designation of any such project or projects or participating party or parties if the disbursement of substantially all of the proceeds of the sale of any such bonds is conditioned on obtaining a guarantee from the United States Small Business Administration or other agency or instrumentality of the United States for the payment of all rents, receipts, purchase payments, and other income or receipts due the authority from the sale, lease or other disposition of any project later authorized to be financed with the proceeds of such bonds.

In anticipation of the sale of such bonds as authorized by Section 44540, or as may be authorized pursuant to Section 44541, the authority may issue negotiable bond anticipation notes and may renew the same from time to time. Such bond anticipation notes may be paid from the proceeds of sale of the bonds of the authority in anticipation of which they were issued. Notes and agreements relating thereto and bond anticipation notes, hereinafter collectively called notes, and the resolution or resolutions authorizing the same may contain any provisions, conditions or limitations which a bond, agreement relating thereto, and bond resolution of the authority may contain; except that such note or renewal thereof shall mature at such time not exceeding two years from the date of issue of the original note.

(b) Except as may otherwise be expressly provided by the authority, every issue of its bonds, notes, or other obligation shall be general obligations of the authority payable from any revenues or moneys of the authority available therefor and not otherwise pledged, subject only to any agreements with the holders of particular bonds, notes, or other obligations pledging any particular

revenues or moneys and subject to any agreements with any participating party. Notwithstanding that such bonds, notes, or other obligations may be payable from a special fund, they shall be and be deemed to be for all purposes negotiable instruments, subject only to the provisions of such bonds, notes or other obligations for registration.

(c) Subject to the limitations in Sections 44540 and 44541, the bonds may be issued as serial bonds or as term bonds, or the authority in its discretion, may issue bonds of both types. The bonds shall be authorized by resolution of the authority and shall bear such date or dates, mature at such time or times, not exceeding 50 years from their respective dates, bear interest at such rate or rates, be payable at such time or times, be in such denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in lawful money of the United States of America at such place or places, and be subject to such terms of redemption, as such resolution or resolutions may provide. The bonds or notes shall be sold by the State Treasurer within 60 days of receipt of a certified copy of the authority's resolution authorizing the sale of the bonds; provided, that the authority, at its discretion, may adopt a resolution extending such 60-day period. Such sales may be at public or private sale, and for such price or prices and on such terms and conditions, as the authority shall determine after giving due consideration to the recommendations of any participating party to be assisted from the proceeds of such bonds or notes. Pending preparation of the definitive bonds, the State Treasurer may issue interim receipts, certificates, or temporary bonds which shall be exchanged for such definitive bonds. The State Treasurer may sell any bonds, notes, or other evidence of indebtedness at a price below the par value thereof; provided, however, that the discount on any security so sold shall not exceed 6 percent of the par value thereof.

(d) Any resolution or resolutions authorizing any bonds or any issue of bonds may contain provisions, which shall be a part of the contract with the holders of the bonds to be authorized, as to:

(1) Pledging the full faith and credit of the authority or pledging all or any part of the revenues of any project or any revenue-producing contract or contracts made by the authority with any individual, partnership, corporation, or association or other body, public or private, or other moneys of the authority, to secure the payment of the bonds or of any particular issue of bonds, subject to such agreements with bondholders as may then exist.

(2) The rentals, fees, purchase payments, and other charges to be charged, and the amounts to be raised in each year thereby, and the use and disposition of the revenues.

(3) The setting aside of reserves or sinking funds, and the regulation and disposition thereof.

(4) Limitations on the right of the authority or its agent to restrict and regulate the use of the project or projects to be financed out of the proceeds of the bonds or any particular issue of bonds.

(5) Limitations on the purpose to which the proceeds of sale of any issue of bonds then or thereafter to be issued may be applied and pledging such proceeds to secure the payment of the bonds or any issue of the bonds.

(6) Limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured and the refunding of outstanding bonds.

(7) The procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which such consent may be given.

(8) Limitations on expenditures for operating, administrative or other expenses of the authority.

(9) Defining the acts or omissions to act which shall constitute a default in the duties of the authority to holders of its obligations and providing the rights and remedies of such holders in the event of a default.

(10) The mortgaging of any project and the site thereof for the purpose of securing the bondholders.

(11) The mortgaging of land, improvements, or other assets owned by a participating party for the purpose of securing the bondholders.

(12) Procedures for the selection of projects to be financed with the proceeds of the bonds authorized by the resolution if the bonds are to be sold in advance of the designation of the projects and participating parties to receive such financing.

(e) Neither the members of the authority nor any person executing the bonds or notes shall be liable personally on the bonds or notes or be subject to any personal liability or accountability by reason of the issuance thereof.

(f) The authority shall have power out of any funds available therefor to purchase its bonds or notes. The authority may hold, pledge, cancel, or resell such bonds, subject to and in accordance with agreements with bondholders.

SEC. 6. Section 44543 of the Health and Safety Code is amended to read:

44543. In the discretion of the authority, any bonds issued under the provisions of this division may be secured by a trust agreement by and between the authority and a trustee or trustees, which may be the State Treasurer or any trust company or bank having the powers of a trust company within or without the state. Such trust agreement or the resolution providing for the issuance of such bonds may pledge or assign the revenues to be received or proceeds of any contract or contracts pledged and may convey or mortgage the project or projects, or any portion thereof, to be financed out of the proceeds of such bonds. Such trust agreement or resolution providing for the issuance of such bonds may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of law, including particularly such provisions as have hereinabove been

specifically authorized to be included in any resolution or resolutions of the authority authorizing bonds thereof. Any bank or trust company doing business under the laws of this state which may act as depository of the proceeds of bonds or of revenues or other moneys may furnish such indemnifying bonds or pledge such securities as may be required by the authority. Any such trust agreement may set forth the rights and remedies of the bondholders and of the trustee or trustees, and may restrict the individual right of action by bondholders. In addition to the foregoing, any such trust agreement or resolution may contain such other provisions as the authority may deem reasonable and proper for the security of the bondholders. Notwithstanding any other provision of law, the State Treasurer shall not be deemed to have a conflict of interest by reason of acting as trustee pursuant to this division.

All expenses incurred in carrying out the provisions of such trust agreement or resolution may be treated as a part of the cost of the operation of a project.

SEC. 7. Section 44546 of the Health and Safety Code is amended to read:

44546. If, in the opinion of the State Treasurer, any bonds issued by the authority under the provisions of this division are adequately secured and the revenues and other funds applicable to the payments of the bonds are, or upon the acquisition, construction, or improvement of the project or projects which such bonds finance, will be sufficient to pay the principal of and interest on such bonds, then the State Treasurer shall certify that such bonds are legal investments for all trust funds, the funds of all insurance companies, banks, both commercial and savings, trust companies, savings and loan associations, and investment companies, for executors, administrators, trustees, and other fiduciaries, for state school funds, and for any funds which may be invested in county, municipal, or school district bonds, and that such bonds are securities which may properly and legally be deposited with, and received by, any state or municipal officer or any agency or political subdivision of the state for any purpose for which the deposit of bonds or obligations of the state is now, or may hereafter be, authorized by law, including deposits to secure public funds.

SEC. 8. Section 44548 is added to the Health and Safety Code, to read:

44548. (a) The Legislature finds and declares that small businesses have had difficulty establishing adequate security for bonds issued by the authority in their behalf; that establishing common reserve funds will help to provide reasonable security for such bonds and will help to make the authority's services available to various small businesses which are presently unable to use them. The Legislature further finds and declares that the financing of projects to dispose of solid waste by resource recovery will require additional security for bonds issued pursuant to Section 44531.5.

(b) For the purpose of establishing and maintaining such common

reserve funds as it deems necessary or desirable to secure its bonds or any issuance thereof, the authority, pursuant to its contracts with participating parties, may levy fees or other charges on, or require deposits from, participating parties receiving financing for a project under this division. Prior to levying any such fees or charges or requiring such deposits, the authority shall adopt regulations for the operation of the common reserve funds and governing the amounts and any payment schedule for such fees, charges, or deposits.

(c) Subject to any prior contractual obligations to any of its bondholders, the authority may establish one or more common reserve funds for any or all of its bonds. The liability of any such common reserve fund with respect to any single issue of bonds of the authority may not exceed the lesser of one million dollars ($1,000,000) or an amount equal to the sum of the unpaid principal, interest, and premium, if any, of the outstanding bonds of such issue. With respect to bonds issued pursuant to Section 44531.5, the liability of a common reserve fund for any single issue of bonds shall be limited to the sum of the unpaid principal, interest, and premium, if any, of the outstanding bonds of the issue.

(d) Each common reserve fund established pursuant to this section shall be deposited in a special account which shall be established by the State Controller. Notwithstanding any other provision of law, all interest or other increment earned by investment or deposit of moneys in such an account pursuant to any provision of Part 2 (commencing with Section 16300) of Division 4 of Title 2 of the Government Code or pursuant to any other provision of law shall be credited to, and deposited in, the account.

SEC. 9. Section 44551 of the Health and Safety Code is amended to read:

44551. The authority may, as lessor or lessee, enter into leases and agreements with any participating party relating to the acquisition, construction, and installation of any project, including real property, buildings, equipment, and pollution control facilities of any kind or character. The terms and conditions of such leases may be as mutually agreed upon. Any such lease may provide the means or methods by which title shall vest in a participating party upon the termination of the lease and shall contain such other terms and conditions as the authority may determine. The authority is authorized to fix, revise, charge, and collect rates, rents, fees, and charges for each project. Such rates, rents, fees, and charges shall be fixed and adjusted in respect of the aggregate of rates, rents, fees, and charges from all projects so as to provide funds sufficient with other revenues and moneys available therefor, if any, to do all of the following:

(a) Pay the principal of and the interest on outstanding bonds, notes, or other evidences of indebtedness of the authority financing such project as the same shall become due and payable.

(b) Create and maintain reserves required or provided for in any resolution authorizing, or trust agreement securing, such bonds,

notes, or other evidences of indebtedness. A sufficient amount of the revenues derived from a project may be set aside at such regular intervals as may be provided in such resolution or trust agreement in a sinking or other similar fund which is hereby pledged to, and charged with, the payment of the principal of and interest on such bonds, notes, or other evidences of indebtedness as the same shall become due, and the redemption price or the purchase price of bonds, notes, or other evidences of indebtedness retired by call or purchase as therein provided. Such pledge shall be valid and binding from the time when the pledge is made; the rates, rents, fees, and charges and other revenues or other moneys so pledged and thereafter received by the authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the authority, irrespective of whether such parties have notice thereof. Neither the resolution nor any trust agreement nor any other agreement nor any lease by which a pledge is created need be filed or recorded except in the records of the authority. The use and disposition of moneys to the credit of such sinking or other similar fund shall be subject to the provisions of the resolution authorizing the issuance of such bonds or of such trust agreement. Except as may otherwise be provided in such resolution or such trust agreement, such sinking or other similar fund may be a fund for all bonds, notes, or other evidences of indebtedness of the authority financing projects of a particular participating party without distinction or priority of one over another; provided, that the authority in any such resolution or trust agreement may provide that such sinking or other similar fund shall be the fund for a particular project or projects and for the bonds financing a particular project or projects and may, additionally, permit and provide for the issuance of bonds having a subordinate lien in respect of the security herein authorized to other bonds, notes, or other evidences of indebtedness of the authority, and, in such case, the authority may create separate sinking or other similar funds in respect of such subordinate lien bonds, notes, or other evidences of indebtedness.

(c) Pay operating and administrative costs of the authority.

SEC. 10. Section 44552.5 is added to the Health and Safety Code, to read:

44552.5. As an alternative to leasing or selling a project to a participating party, the authority may finance the acquisition, construction, or installation of a project by means of a loan to the participating party. Any loan pursuant to this section shall be conditioned on obtaining a guarantee of repayment from the United States Small Business Administration or other agency or instrumentality of the United States. The principal amount of the participating party's obligation as borrower shall be sufficient to provide funds for all the purposes specified in subdivisions (a), (b), and (c) of Section 44551 and may be paid in installments, together

with interest on the unpaid balance, or otherwise as may be mutually agreed by the authority and the participating party and set forth in the loan agreement. Loans made pursuant to this section may be secured or unsecured in the discretion of the authority.

The provisions of Section 44550 shall not be applicable to projects constructed with moneys loaned pursuant to this section.

SEC. 11. Section 44553 of the Health and Safety Code is amended to read:

44553. All moneys received pursuant to the provisions of this division, whether as proceeds from the sale of bonds, notes, or other evidences of indebtedness or as revenues, shall be deemed to be trust funds to be held and applied solely as provided in this division. The State Treasurer or any bank or trust company with which such moneys shall be deposited shall act as trustee of such moneys and shall hold and apply the same for the purposes hereof, subject to such regulations as the resolution authorizing the bonds of any issue or the trust agreement securing such bonds may provide.

SEC. 12. Section 44557 of the Health and Safety Code is amended to read:

44557. Subject to Section 44562, the existence of the authority may be terminated at any time by the Legislature. Upon dissolution of the authority, the title to all properties owned by it shall vest in and become the property of the State of California and shall not inure to the benefit of any private party.

SEC. 13. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

The California Pollution Control Financing Authority has received a substantial number of inquiries, and expects applications from a wide variety of small businesses in the state, for pollution control financing during the balance of the 1977 calendar year. Such facilities will be required to enable these firms to comply with the deadlines as established by federal, state, and local pollution control agencies. In addition, electric utilities are expected to start construction in the near future on additional pollution control facilities. In order to avoid unnecessary delay in the provision of financing, which will enable such small businesses and electric utilities to comply with pollution control requirements in a timely manner and without undue economic dislocation, it is imperative that this act take effect immediately.

CHAPTER 651

An act to add Sections 779.28 and 10176.4 to the Insurance Code, relating to chiropractors.

[Approved by Governor September 7, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 779.28 is added to the Insurance Code, to read:

779.28. For purposes of establishing the fact of disability in credit disability insurance, chiropractors' certifications of disability when made within the scope of their license shall be accepted by insurers as equally valid as physicians and surgeons' certifications of disability when made within the scope of their license.

SEC. 2. Section 10176.4 is added to the Insurance Code, to read:

10176.4. For purposes of establishing the fact of disability in credit disability insurance, disability insurance or life insurance, chiropractors' certifications of disability when made within the scope of their license shall be accepted by insurers as equally valid as physicians and surgeons' certifications of disability when made within the scope of their license.

CHAPTER 652

An act to amend Section 8045.7 of the Fish and Game Code, relating to crab, and declaring the urgency of, to take effect immediately.

[Approved by Governor September 7, 1977 Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 8045.7 of the Fish and Game Code is amended to read:

8045.7. Every person operating under a license issued pursuant to this article shall, in addition to the license fee and the tax required under Section 8045.5, pay an additional privilege tax of one and eighty-five hundredths cent ($0.0185) for each pound, or fraction thereof, of crab purchased, received, or taken by him. The moneys collected by the department pursuant to this section shall be expended for research and management activities, including propagation, for the purpose of maintaining and enhancing the market crab resources within the waters of the state.

The authority of the department to collect the tax provided for in this section shall expire the first day of the month following the

month in which the aggregate amount of tax collected pursuant to this section meets or exceeds five hundred thousand dollars ($500,000).

This section shall remain in effect only until July 1, 1979, and as of such date is repealed, unless a later enacted statute, which is chaptered before July 1, 1979, deletes or extends such date.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

The additional privilege tax taken pursuant to Section 8045.7 of the Fish and Game Code has already exceeded five hundred thousand dollars ($500,000). In order to prevent additional funds being collected during the crab season beginning November 2, 1977, it is necessary for this act to take effect prior to that time.

CHAPTER 653

An act to add Section 188.10 to the Streets and Highways Code, relating to state highways.

[Approved by Governor September 7, 1977 Filed with Secretary of State September 8, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 188.10 is added to the Streets and Highways Code, to read:

188.10. For purposes of applying the provisions of Section 188.9, all expenditures made during the four-year period commencing July 1, 1975, for the improvement of Route 99 from approximately 0.4 miles south of El Capitan to approximately 1.1 miles north of El Capitan, in and near the community of Delhi, shall be deemed to be made during such four-year period only to the extent that such expenditures are needed to meet the minimum expenditure requirements of Section 188.9. The excess, if any, of such expenditures shall be credited to the four-year period commencing on July 1, 1979.

CHAPTER 654

An act to add Sections 44986 and 87789 to the Education Code, relating to leaves of absence for school employees.

[Approved by Governor September 7, 1977 Filed with Secretary of State September 8, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 44986 is added to the Education Code, to read:

44986. The governing board of a school district may grant a leave of absence to any certificated employee who has applied for disability allowance, not to exceed 30 days beyond final determination of the disability allowance by the State Teachers' Retirement System. If the employee is determined to be eligible for the disability allowance by the system, such leave shall be extended for the term of disability, but not more than 39 months.

Governing boards of school districts shall classify as temporary employees those persons employed to fill vacancies caused by the absence of certificated employees who are classified as permanent and are receiving a disability or insurance allowance or benefit from the system or from a group insurance plan for which the employer is paying the cost or deducting the cost from the employees' salaries.

For purposes of this section, the term of employment of the temporary employee shall be equal to the number of days of absence of the employee receiving the disability allowance.

If the term of employment extends beyond this period, the employee shall be credited for all days served as a probationary employee.

SEC. 2. Section 87789 is added to the Education Code, to read:

87789. The governing board of a community college district may grant a leave of absence to any certificated employee who has applied for disability allowance, not to exceed 30 days beyond final determination of the disability allowance by the State Teachers' Retirement System. If the employee is determined to be eligible for the disability allowance by the system, such leave shall be extended for the term of disability, but not more than 39 months.

Governing boards of community college districts shall classify as temporary employees those persons employed to fill vacancies caused by the absence of certificated employees who are classified as permanent and are receiving a disability or insurance allowance or benefit from the system or from a group insurance plan for which the employer is paying the cost or deducting the cost from the employees' salaries.

For purposes of this section, the term of employment of the temporary employee shall be equal to the number of days of absence of the employee receiving the disability allowance.

If the term of employment extends beyond this period, the employee shall be credited for all days served as a probationary employee.

CHAPTER 655

An act to amend Section 27802 of the Vehicle Code, relating to vehicles.

[Approved by Governor September 7, 1977 Filed with Secretary of State September 8, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 27802 of the Vehicle Code is amended to read:

27802. (a) The department shall adopt reasonable regulations establishing specifications and standards for safety helmets offered for sale, or sold, for use by drivers and passengers of motorcycles and motorized bicycles as it determines are necessary for the safety of such drivers and passengers. In developing the regulations, the department shall consider all standards which have been developed and adopted as a requirement by other states.

(b) No person shall sell, or offer for sale, for use by a driver or passenger of a motorcycle or motorized bicycle any safety helmet which is not of a type approved by the department.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local governmental entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 656

An act to amend Section 76004 of the Government Code, relating to grand juries.

[Approved by Governor September 7, 1977 Filed with Secretary of State September 8, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 76004 of the Government Code is amended to read:

76004. In Alameda County, the fees of trial jurors in the superior court and the municipal courts are five dollars ($5) and mileage at the rate of fifteen cents ($0.15) per mile for each mile necessarily traveled from their residence, in going only, for each day's attendance upon the court and are a charge against the county and paid from county funds unless deposited by litigants or otherwise

provided for. The fees of grand jurors are ten dollars ($10) per day and mileage at the rate of fifteen cents ($0.15) per mile for each mile necessarily traveled in attending upon a session or committee of the grand jury, in going and returning. Fees of jurors for services rendered in any calendar month are payable on or about the first day of the following month, as certified to by the district attorney as to grand jurors and as certified to by the clerk of the court in which the juror appeared as to trial jurors.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because this act is in accordance with the request of a local governmental entity or entities which desire legislative authority to act to carry out the program specified in this act.

CHAPTER 657

An act to amend Sections 45300 and 88119 of the Education Code, relating to school classified employees.

[Approved by Governor September 7, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 45300 of the Education Code is amended to read:

45300. Eligibility lists shall be established for a period of not less than one year except that when a list is exhausted for appointments to current vacancies, through use and eligibles being unavailable, the commission may, upon the recommendation of the officer charged with certifying eligibles, and after due notice to eligibles who may have made themselves unavailable for appointment, terminate it before a year has expired.

Open competitive eligibility lists may be established for a period of six months upon the approval of the personnel commission so long as the six months duration of such a list is noted in the recruitment bulletin announcing the examination. If a list is exhausted for appointments to current vacancies, through use and eligibles being unavailable, the commission may, upon the recommendation of the officer charged with certifying eligibles, and after due notice to eligibles who may have made themselves unavailable for appointment, terminate it before the expiration date.

A list may be extended for an additional period of one year or less in the discretion of the commission.

SEC. 2. Section 88119 of the Education Code is amended to read:

88119. Eligibility lists shall be established for a period of not less than one year except that when a list is exhausted for appointments

to current vacancies, through use and eligibles being unavailable, the commission may, upon the recommendation of the officer charged with certifying eligibles, and after due notice to eligibles who may have made themselves unavailable for appointment, terminate it before a year has expired.

The personnel commission may establish open competitive eligibility lists for a period less than one year but not less than six months, except when a list is exhausted for appointments to current vacancies, through use and eligibles being unavailable, the commission may, upon the recommendation of the officer charged with certifying eligibles, and after due notice to eligibles who may have made themselves unavailable for appointment, terminate it before the expiration date.

A list may be extended for an additional period of one year or less in the discretion of the commission.

CHAPTER 658

An act to amend Section 42684 of the Food and Agricultural Code, relating to agricultural products.

[Approved by Governor September 7, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 42684 of the Food and Agricultural Code is amended to read:

42684. It is hereby declared that the establishment and maintenance of minimum standards of quality and maturity for fruits, nuts, and vegetables is essential to insure that products of acceptable and marketable quality will be available to the consumer.

The director may, upon a petition of a commercial producer or handler that the director finds has a substantial interest in the growing or handling of the particular fruit, nut, or vegetable involved, hold a hearing to establish, modify, or rescind, by regulation, quality and maturity standards for any fruits, nuts, or vegetables.

The director shall, upon a petition of 10 commercial producers or handlers, each of whom the director finds has a separate and substantial interest in the growing or handling of the particular fruit, nut, or vegetable involved, or a petition by the Director of the Department of Consumer Affairs, hold a hearing to establish, modify, or rescind, by regulation, quality and maturity standards for any fruits, nuts, or vegetables.

In establishing, modifying, or rescinding any quality and maturity standard for any fruit, nut, or vegetable pursuant to this chapter, the director shall do all of the following: (1) find that the regulation will

provide the consumer with acceptable quality fruits, nuts, and vegetables which will also provide stability in the marketing of such products, (2) find that the regulation will tend to prevent waste in the production and marketing of fruits, nuts, and vegetables, (3) consider the impact of the regulation upon the agricultural industry, and (4) find that the regulation is necessary to accomplish the purposes of this chapter.

All regulations shall be adopted in accordance with Chapter 4.5 (commencing with Section 11371) of Part 1 of Division 3 of Title 2 of the Government Code; provided, however, that the director prior to adopting any emergency regulations for quality and maturity standards for any fruits, nuts, and vegetables, shall hold a public hearing. Notice of the hearing shall be given to all persons known to the director to be interested in the proposed emergency regulations, not less than three days prior to such hearing. Any such public hearing on emergency regulations is not in place of, and shall not preclude the director from holding, a public hearing within 120 days after adoption of such emergency regulations to make the emergency regulations permanent.

CHAPTER 659

An act to amend Sections 22006, 22007, 22148, 22300, 23010, 23900 and 23920 of, to add Section 22134.5, and to repeal Sections 22225 and 23009 of, the Education Code, relating to the State Teachers' Retirement System.

[Approved by Governor September 7, 1977. Filed with Secretary of State September 8, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 22006 of the Education Code is amended to read:

22006. The obligations of any member of this system, or the member's beneficiaries, to this system continue throughout membership, and thereafter until all of the obligations of this system to or in respect to the member or the member's beneficiaries, have been discharged.

For the purposes of payments into the Teachers' Retirement Fund sought by this system in any suit against a former member or the former member's beneficiary, the applicable limitation of action shall not commence to run until all obligations of this system to or on behalf of the member or retirant have been discharged.

SEC. 2. Section 22007 of the Education Code is amended to read:

22007. For the purposes of payments out of the Teachers' Retirement Fund sought by a member, former member, beneficiary, disabilitant or retirant in any suit against the system, the applicable

limitation of action shall not commence to run until the filing with this system of a claim or demand against this system by the member, former member, beneficiary, disabilitant, retirant or a representative thereof.

SEC. 3. Section 22134.5 is added to the Education Code, to read:

22134.5. "Normal retirement" and "normal retirement age" means age 60 and is the plan age upon attainment of which the member becomes eligible for a service retirement allowance without reduction because of age and without special qualifications such as disability.

SEC. 3.5. Section 22148 of the Education Code is amended to read:

22148. "Retirement" means withdrawal from active service with a retirement allowance. A member of this system is retired as of the effective date shown on the retirement application or such later date as specified under Section 23900.

SEC. 4. Section 22225 of the Education Code is repealed.

SEC. 5. Section 22300 of the Education Code is amended to read:

22300. There is in the State Treasury a special trust fund to be known as the Teachers' Retirement Fund. There shall be deposited in that fund the assets of the system and its predecessors, consisting of employee contributions, employer contributions, state contributions, appropriations made to it by the Legislature, income on investments, other interest income, income from fees and penalties, donations, legacies, bequests made to it and accepted by the board and any other amounts provided by this part.

Disbursement of money from the Teachers' Retirement Fund of whatever nature shall be made upon claims duly audited in the manner prescribed for the disbursement of other public funds except that notwithstanding the foregoing disbursements may be made to return funds deposited in the fund in error.

SEC. 6. Section 23009 of the Education Code is repealed.

SEC. 7. Section 23010 of the Education Code is amended to read:

23010. Any overpayment made to or on behalf of any member, former member, beneficiary, disabilant, or retirant, including but not limited to contributions, interest, benefits of any kind, federal or state tax, or insurance premiums, shall be deducted from any subsequent benefit that may be payable by the system. Such deductions shall be permitted concurrently with any suit for restitution, and recovery of overpayment by adjustment shall reduce by the amount of such recovery the extent of liability for restitution.

SEC. 8. Section 23900 of the Education Code is amended to read:

23900. A retirement allowance shall become effective upon any date designated by the member, provided:

(a) An application for retirement allowance is filed on a form provided by the system, which is executed no earlier than six months before the effective date of retirement allowance,

(b) The effective date is later than the last day of credited service for which salary is payable to the member,

(c) The effective date is no earlier than the first day of the month in which the application is received by the system in Sacramento,

(d) The effective date is no earlier than the date upon and continuously after which the member is determined to the satisfaction of the board to have been mentally incompetent.

SEC. 9. Section 23920 of the Education Code is amended to read:

23920. A disabilitant may be employed in a position requiring certification qualifications. The employment does not operate to terminate or suspend the disability allowance except as provided in Sections 23908 and 23910, and no deduction shall be made from the disabilitant's salary as contributions to this system.

CHAPTER 660

An act to add Section 12802.5 to the Government Code, relating to the Resources Agency.

[Approved by Governor September 7, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 12802.5 is added to the Government Code, to read:

12802.5. The Governor may, with respect to the Resources Agency, appoint an Assistant Secretary for Energy Matters who may serve as Secretary for Resources designee on the Energy Resources Conservation and Development Commission and an Assistant Secretary for Coastal Matters who may serve as Secretary for Resources designee on the State Coastal Commission.

CHAPTER 661

An act to amend Section 1242 of the Business and Professions Code, relating to clinical laboratories.

[Approved by Governor September 7, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 1242 of the Business and Professions Code is amended to read:

1242. Any person duly licensed under the provisions of this chapter to perform tests called for in a clinical laboratory may perform skin tests for specific diseases, arterial puncture, venipuncture, or skin puncture for purposes of withdrawing blood or for test purposes as

defined by regulations established by the department and upon specific authorization from any person in accordance with the authority granted under any provisions of law relating to the healing arts. The department may by regulation authorize unlicensed laboratory personnel to perform skin tests for specific diseases, venipuncture or skin puncture for the purposes of withdrawing blood or for test purposes as defined by regulations established by the department and shall establish the minimum training required for such persons.

CHAPTER 662

An act to amend Section 101 of the Food and Agricultural Code, to amend Sections 12800, 12804, and 12855 of the Government Code, and to amend Section 50 of the Labor Code, relating to state administration.

[Approved by Governor September 7, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 101 of the Food and Agricultural Code is amended to read:

101. There is in the state government the Department of Food and Agriculture.

SEC. 2. Section 12800 of the Government Code is amended to read:

12800. There are in the state government the following agencies: State and Consumer Services; Business and Transportation; Health and Welfare; and Resources.

Whenever the term "Agriculture and Services Agency" appears in any law, it means the "State and Consumer Services Agency," and whenever the term "Secretary of Agriculture and Services Agency" appears in any law, it means the "Secretary of State and Consumer Services Agency."

SEC. 3. Section 12800 of the Government Code is amended to read:

12800. There are in the state government the following agencies: State and Consumer Services; Business and Transportation; Health and Welfare; Labor; and Resources.

SEC. 4. Section 12804 of the Government Code is amended to read:

12804. The Youth and Adult Corrections Agency is hereby renamed the State and Consumer Services Agency.

The State and Consumer Services Agency consists of the following: the Department of Commerce; the Department of General Services; the Department of Veterans Affairs; the Department of Consumer Affairs; the Franchise Tax Board; the Public Employees' Retirement System; the State Fire Marshal; and the State Teachers' Retirement

System.

The Department of Corrections and the Department of the Youth Authority are hereby transferred from the Youth and Adult Corrections Agency to the Health and Welfare Agency.

SEC. 5. Section 12804 of the Government Code is amended to read:

12804. The Youth and Adult Corrections Agency is hereby renamed the State and Consumer Services Agency.

The State and Consumer Services Agency consists of the following: the Department of Commerce; the Department of General Services; the Department of Veterans Affairs; the Department of Consumer Affairs; the Franchise Tax Board; the Public Employees' Retirement System; the State Fire Marshal; and the State Teachers' Retirement System.

The Department of Corrections and the Department of the Youth Authority are hereby transferred from the Youth and Adult Corrections Agency to the Health and Welfare Agency.

SEC. 6. Section 12855 of the Government Code is amended to read:

12855. For the purpose of this chapter, "agency" means the State and Consumer Services Agency, the Health and Welfare Agency, or the Resources Agency, and "secretary" means the secretary of any such agency. The general powers of the Business and Transportation Agency and its secretary are those specified in Part 4.5 (commencing with Section 13975) of Division 3 of Title 2 of this code.

SEC. 7. Section 12855 of the Government Code is amended to read:

12855. For the purpose of this chapter, "agency" means the State and Consumer Services Agency, the Health and Welfare Agency, the Labor Agency, or the Resources Agency, and "secretary" means the secretary of any such agency. The general powers of the Business and Transportation Agency and its secretary are those specified in Part 4.5 (commencing with Section 13975) of Division 3 of Title 2 of this code.

SEC. 8. Section 50 of the Labor Code is amended to read:

50. There is in the state government the Department of Industrial Relations.

SEC. 9. Section 50 of the Labor Code is amended to read:

50. There is in the state government, in the Labor Agency, the Department of Industrial Relations.

SEC. 10. It is the intent of the Legislature, if this bill and Senate Bill No. 567 are both chaptered and become effective on or before January 1, 1978, both bills amend Section 12800 of the Government Code, and this bill is chaptered after Senate Bill No. 567, that Section 12800 of the Government Code, as amended by Section 2 of this act, shall remain operative until the operative date of Senate Bill No. 567, and that on the operative date of Senate Bill No. 567 Section 12800 of the Government Code, as amended by Section 2 of this act, be further amended in the form set forth in Section 3 of this act to

incorporate the changes in Section 12800 proposed by Senate Bill No. 567. Therefore, if this bill and Senate Bill No. 567 are both chaptered and become effective on or before January 1, 1978, and Senate Bill No. 567 is chaptered before this bill and amends Section 12800, Section 3 of this act shall become operative on the operative date of Senate Bill No. 567.

SEC. 11. It is the intent of the Legislature, if this bill and Senate Bill No. 567 are both chaptered and become effective on or before January 1, 1978, both bills amend Section 12804 of the Government Code, and this bill is chaptered after Senate Bill No. 567, that Section 12804 of the Government Code, as amended by Section 4 of this act, shall remain operative until the operative date of Senate Bill No. 567, and that on the operative date of Senate Bill No. 567 Section 12804 of the Government Code, as amended by Section 4 of this act, be further amended in the form set forth in Section 5 of this act to incorporate the changes in Section 12804 proposed by Senate Bill No. 567. Therefore, if this bill and Senate Bill No. 567 are both chaptered and become effective on or before January 1, 1978, and Senate Bill No. 567 is chaptered before this bill and amends Section 12804, Section 5 of this act shall become operative on the operative date of Senate Bill No. 567.

SEC. 12. It is the intent of the Legislature, if this bill and Senate Bill No. 567 are both chaptered and become effective on or before January 1, 1978, both bills amend Section 12855 of the Government Code, and this bill is chaptered after Senate Bill No. 567, that Section 12855 of the Government Code, as amended by Section 6 of this act, shall remain operative until the operative date of Senate Bill No. 567, and that on the operative date of Senate Bill No. 567 Section 12855 of the Government Code, as amended by Section 6 of this act, be further amended in the form set forth in Section 7 of this act to incorporate the changes in Section 12855 proposed by Senate Bill No. 567. Therefore, if this bill and Senate Bill No. 567 are both chaptered and become effective on or before January 1, 1978, and Senate Bill No. 567 is chaptered before this bill and amends Section 12855, Section 7 of this act shall become operative on the operative date of Senate Bill No. 567.

SEC. 13. It is the intent of the Legislature, if this bill and Senate Bill No. 567 are both chaptered and become effective on or before January 1, 1978, both bills amend Section 50 of the Labor Code, and this bill is chaptered after Senate Bill No. 567, that Section 50 of the Labor Code, as amended by Section 8 of this act, shall remain operative until the operative date of Senate Bill No. 567, and that on the operative date of Senate Bill No. 567 Section 50 of the Labor Code, as amended by Section 8 of this act, be further amended in the form set forth in Section 9 of this act to incorporate the changes in Section 50 proposed by Senate Bill No. 567. Therefore, if this bill and Senate Bill No. 567 are both chaptered and become effective on or before January 1, 1978, and Senate Bill No. 567 is chaptered before this bill and amends Section 50, Section 9 of this act shall become

operative on the operative date of Senate Bill No. 567.

CHAPTER 663

An act to add and repeal Section 172.85 of the Penal Code, relating to alcoholic beverages.

[Became law without Governor's signature September 8, 1977 Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 172.85 is added to the Penal Code, to read:

172.85. Notwithstanding the provisions of Sections 172, 172a, 172b, 172d, 172f, and 172g, the Department of Alcoholic Beverage Control may issue a retail off-sale alcoholic beverage license to any person who owns premises within one and one-half miles of the California Institute of Technology provided:

(a) The premises was licensed for the off-sale of alcoholic beverages within the past three years from the effective date of this section;

(b) Application is made within 30 days from the effective date of this section; and

(c) The applicant is otherwise qualified to be issued such off-sale license.

This section shall be operative until January 1, 1979, and on such date is repealed.

SEC. 2. Notwithstanding the repeal of Section 172.85 of the Penal Code, a license issued pursuant to this act shall be entitled to the same privileges, including renewal, and shall be subject to the same restrictions as any other off-sale license issued pursuant to Division 9 (commencing with Section 23000) of the Business and Professions Code.

CHAPTER 664

An act to amend Sections 21207.5 and 21209 of the Vehicle Code, relating to vehicles.

[Approved by Governor September 8, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 21207.5 of the Vehicle Code is amended to read:

21207.5. Notwithstanding Sections 21207 and 23127 of this code,

Section 5079.7 of the Public Resources Code, or any other provision of law, no motorized bicycle may be operated on a bicycle path or trail, bikeway, bicycle lane established pursuant to Section 21207, equestrian trail, or hiking or recreational trail, unless it is within or adjacent to a roadway or unless the local authority or the governing body of a public agency having jurisdiction over such path or trail permits, by ordinance, such operation.

SEC. 2. Section 21209 of the Vehicle Code is amended to read:

21209. Whenever a bicycle lane has been established on a roadway pursuant to Section 21207, any person operating a motor vehicle on such roadway shall not drive in the bicycle lane except to park where parking is permitted, to enter or leave the highway, or to prepare for a turn.

This section does not prohibit the use of a motorized bicycle in a bicycle lane pursuant to Section 21207.5; provided, that no person shall operate a motorized bicycle upon a bicycle lane at a speed greater than is reasonable or prudent having due regard for visibility and the traffic on, and the surface of, the bicycle lane, and in no event, in a manner which endangers the safety of bicyclists utilizing the bicycle lane.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local governmental entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 665

An act to add Chapter 11.2 (commencing with Section 66920) to Part 40 of the Education Code, relating to postsecondary education, and making an appropriation therefor.

[Approved by Governor September 8, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. In enacting this act, the Legislature finds and declares that:

(a) There is great interest among prison inmates of the Department of Corrections and wards of the California Youth Authority for postsecondary education. The demand for such programs, however, among qualified inmates and parolees far exceeds the availability of such programs;

(b) Additional state support of postsecondary education programs

for inmates and parolees should expand and improve existing efforts and enable development of new demonstration projects, which provide alternative methods of delivering postsecondary education;

(c) Additional state support for postsecondary education programs would greatly enhance work and educational opportunities for inmates reentering society;

(d) Additional state support for postsecondary education for inmates and parolees should be awarded in comprehensive interinstitutional projects, linking correctional institutions with two- and four-year colleges; and

(e) An inventory of existing efforts and interagency planning should precede substantial expansion of postsecondary education programs for inmates and ex-offenders.

SEC. 2. Chapter 11.2 (commencing with Section 66920) is added to Part 40 of the Education Code, to read:

CHAPTER 11.2. EDUCATION OF INMATES, WARDS, AND PAROLEES

66920. It is the intent of the Legislature that the Board of Governors of the California Community Colleges, in cooperation with the Trustees of the California State University and Colleges and the Regents of the University of California, may support existing and additional programs which provide postsecondary educational opportunities and services for prison inmates, wards, and parolees of the Department of Corrections and the California Youth Authority. The board of governors may support programs developed and operated cooperatively by at least one correctional institution and a two- or four-year college. Priority shall be given to programs linking more than two correctional institutions, educational agencies, parolee programs, community agencies, and potential employers. The board of governors may support existing programs and additional demonstration projects which have one or more of the following components:

(a) Academic and vocational instructional programs at the postsecondary educational level offered inside state prisons, county jails, or California Youth Authority institutions.

(b) Information, counseling, and tutoring services for inmates, wards, and ex-offenders presently enrolled or interested in a postsecondary educational program.

(c) Courses for inmates and wards which also serve prison personnel and college students who are not incarcerated.

(d) Cooperative efforts linking postsecondary education programs with potential employers of ex-offenders.

(e) Research on alternative methods of assessing academic abilities of inmates and alternative ways of making available education to inmates and ex-offenders.

SEC. 3. The California Postsecondary Education Commission shall, on or before November 15, 1978, report on the scope of current inmate and ex-offender postsecondary education programs, assess

the need to expand current programs or begin new programs, and develop a plan for possible expansion of programs. The commission's report, at a minimum, shall include the following:

(a) An inventory of campus-based and prison-based postsecondary education programs for inmates, wards, and ex-offenders;

(b) The current resources determined to be allocated to postsecondary educational programs by the Department of Corrections, California Youth Authority, postsecondary education institutions, and the Office of Criminal Justice Planning;

(c) The impact of existing programs, and suggested improved evaluation approaches, or both. This evaluation shall report on the types of programs supported, characteristics of inmates and parolees served, and the impact of programs in providing educational and eventual work opportunities and in lowering recidivism rates;

(d) Assessment of the interest in, and need for, postsecondary education programs for inmates and ex-offenders;

(e) The possible advantages of different methods of financial support, including support of interagency consortia involving correctional agencies, colleges, community agencies, and potential employers; and

(f) The desirability of constructing limited prison facilities to better serve inmates interested in educational programs.

(g) A plan for expanding or modifying existing programs to serve the unmet educational needs of inmates and ex-offenders, or both.

(h) Exploration of the benefits of alternative agencies to administer and coordinate the programs statewide and a recommendation as to the most appropriate administrative agency.

(i) The costs of each recommendation and alternative included in the report and an implementation plan.

In conducting the study, the commission shall consult an advisory group composed of two representatives each from the Department of Corrections, the California Youth Authority, the Office of Criminal Justice Planning, postsecondary educational institutions, existing college parolee programs, and two ex-offenders.

The commission may contract with an external organization or individual to conduct the study. Individuals and agencies involved with existing inmate and ex-offender programs shall be informed of the commission's study plan and the progress of the study.

SEC. 4. The Legislature hereby appropriates from the General Fund forty thousand dollars ($40,000) to the California Postsecondary Education Commission for conducting the study provided pursuant to Section 3 of this act.

CHAPTER 666

An act to repeal Section 33418 of the Health and Safety Code, relating to redevelopment.

[Approved by Governor September 8, 1977 Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 33418 of the Health and Safety Code is repealed.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because the duties, obligations or responsibilities imposed on local governmental entities or school districts by this act are such that related costs are incurred as part of their normal operating procedures.

CHAPTER 667

An act to amend Section 417 of the Penal Code, relating to assault on a peace officer.

[Approved by Governor September 8, 1977 Filed with Secretary of State September 8, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 417 of the Penal Code is amended to read:

417. (a) Every person who, except in self-defense, in the presence of any other person, draws or exhibits any firearm, whether loaded or unloaded, or any other deadly weapon whatsoever, in a rude, angry or threatening manner, or who in any manner, unlawfully uses the same in any fight or quarrel is guilty of a misdemeanor.

(b) Every person who, in the immediate presence of a peace officer, draws or exhibits any firearm, whether loaded or unloaded, in a rude, angry or threatening manner, and who knows or reasonably should know that such victim is a peace officer engaged in the performance of his duties, and such peace officer is engaged in the performance of his duties is guilty of a felony punishable by imprisonment in the county jail not to exceed one year, or in the state prison.

As used in this section, "peace officers" refers to any person designated as a peace officer by Section 830.1, subdivisions (a) to (e), inclusive, of Section 830.2, and Section 830.5.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because the

Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local government entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 668

An act to add Section 2144.5 to the Business and Professions Code, relating to physicians.

[Approved by Governor September 8, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 2144.5 is added to the Business and Professions Code, to read:

2144.5. (a) A physician or podiatrist shall not be liable for damages for injury or death caused in an emergency situation occurring in the physician's or podiatrist's office or in a hospital on account of a failure to inform a patient of the possible consequences of a medical procedure where the failure to inform is caused by any of the following:

(1) The patient was unconscious.

(2) The medical procedure was undertaken without the consent of the patient because the physician or podiatrist reasonably believed that a medical procedure should be undertaken immediately and that there was insufficient time to fully inform the patient.

(3) A medical procedure was performed on a person legally incapable of giving consent, and the physician podiatrist reasonably believed that a medical procedure should be undertaken immediately and that there was insufficient time to obtain the informed consent of a person authorized to give such consent for the patient.

(b) This section is applicable only to actions for damages for injuries or death arising because of a physician's or podiatrist's failure to inform, and not to actions for such damages arising because of a physician's or podiatrist's negligence in rendering or failing to render treatment.

(c) As used in this section:

(1) "Physician" means a person licensed as a physician and surgeon pursuant to Chapter 5 (commencing with Section 2000) of Division 2 of the Business and Professions Code, or as a physician and surgeon pursuant to the Osteopathic Initiative Act.

(2) "Podiatrist" means a person licensed as a podiatrist pursuant to Article 19 (commencing with Section 2525) of Chapter 5 of Division 2 of the Business and Professions Code.

(3) "Emergency situation occurring in a hospital" means a situation occurring in a hospital, whether or not it occurs in an emergency room, requiring immediate services for alleviation of severe pain, or immediate diagnosis and treatment of unforeseeable medical conditions, which, if not immediately diagnosed and treated, would lead to serious disability or death.

(4) "Hospital" means a licensed general acute care hospital as defined in subdivision (a) of Section 1250 of the Health and Safety Code.

(5) "Emergency situation occurring in the physician's or podiatrist's office" means a situation occurring in an office, other than a hospital, used by the physician or podiatrist for the examination or treatment of patients, requiring immediate services for alleviation of severe pain, or immediate diagnosis and treatment of unforeseeable medical conditions, which, if not immediately diagnosed and treated, would lead to serious disability or death.

CHAPTER 669

An act to amend Section 19430 of, to add Section 19425 to, and to repeal Section 19425 of, the Business and Professions Code, relating to horseracing.

[Approved by Governor September 8, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 19425 of the Business and Professions Code is repealed.

SEC. 2. Section 19425 is added to the Business and Professions Code, to read:

19425. The members of the board shall receive a per diem of one hundred dollars ($100) for each day spent in attendance at meetings scheduled by the chairman of the board for the purpose of fulfilling the duties of the board pursuant to this chapter, and shall be reimbursed for traveling and other expenses necessarily incurred in the performance of official duties.

SEC. 3. Section 19430 of the Business and Professions Code is amended to read:

19430. The salaries of the secretary, and other employees of the board, the per diem allowance of members of the board, and the necessary traveling and other expenses of the secretary and members of the board, shall be paid monthly by the State Treasurer on the warrant of the State Controller and the certification of the chairman of the board out of the money appropriated for that purpose.

CHAPTER 670

An act to amend Section 24000 of, and to add Section 23410 to, the Education Code, relating to the State Teachers' Retirement System.

[Approved by Governor September 8, 1977 Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 23410 is added to the Education Code, to read:

23410. The employing school district or other employing agency shall pay the present value of the additional benefit provided under subdivision (d) of Section 24000. The present value amounts shall be determined by the board.

This amount is due and payable to the Teachers' Retirement Fund within 30 days following the effective date of the member's retirement, and is delinquent thereafter. The board may assess a penalty on delinquent payments in accordance with the provisions affecting payment of employee and employer contributions.

SEC. 2. Section 24000 of the Education Code is amended to read:

24000. Upon retirement for service which became effective after June 30, 1972, a member shall receive a retirement allowance which shall consist of:

(a) An annual allowance payable in monthly installments, upon retirement at age 60 or over, equal to 2 percent of the final compensation for each year of credited service. If the retirement of a member, other than one subject to subdivision (d), is effective at less than age 60 this allowance shall be reduced by one-half of 1 percent for each full month, or fraction of a month which will elapse until the member would have reached age 60, and

(b) An annuity which shall be the actuarial equivalent of the accumulated annuity deposit contributions standing to the credit of his account at the time of his retirement, and

(c) A "tax-sheltered annuity" which shall be the actuarial equivalent of the accumulated tax-sheltered annuity contributions standing to the credit of his account at the time of his retirement.

(d) A school district or other employing agency may elect to permit all members with 30 years of credited service to retire regardless of age and receive an annual allowance equal to 2 percent of final compensation for each year of credited service. If the member is age 50 or older, the allowance shall be reduced by one-half of 1 percent for each full month, or fraction of a month which will elapse until the member would have reached age 60.

In computing the above amounts, the age of the member at the last day of the month in which the member has requested his retirement be effective or such later date as provided in Section 23900 shall be used.

CHAPTER 671

An act to amend Section 35002.5 of, and to add Section 35033.5 to, the Government Code, relating to city government.

[Approved by Governor September 8, 1977 Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 35002.5 of the Government Code is amended to read:

35002.5. Territory shall not be deemed contiguous as the word "contiguous" is used in this chapter if the only contiguity is based on a strip of land over 300 feet long and less than 200 feet wide, such width to be exclusive of highways.

Territory shall be deemed contiguous as the word contiguous is used in this chapter if such territory is separated from the boundaries of an annexing city by territory within the boundaries of another city; provided, that such separating territory was included within the boundaries of the other city prior to January 1, 1925; provided, further, that such separating territory is not in excess of 3,000 feet in width at all of its separating points; and provided, further, that such territory is a part of the same unified school district as the largest portion of the city seeking to annex such territory.

SEC. 2. Section 35033.5 is added to the Government Code, to read:

35033.5. Territory shall be deemed contiguous as the word contiguous is used in this part if such territory is separated from the boundaries of an annexing city by territory within the boundaries of another city; provided, that such separating territory was included within the boundaries of the other city prior to January 1, 1925; provided, further, that such separating territory is not in excess of 3,000 feet in width at all of its separating points; and provided, further, that such territory is a part of the same unified school district as the largest portion of the city seeking to annex such territory.

SEC. 3. Section 2 of this act shall become operative only if this bill and Assembly Bill No. 1533 are both chaptered, in which case Section 1 of this act shall not become operative.

CHAPTER 672

An act to add Article 13 (commencing with Section 29560) to Chapter 2 of Division 3 of Title 3 of the Government Code, to amend Section 98260 of, to amend the headings of Article 7 (commencing with Section 70210) of Chapter 6 of Part 7 and Article 8 (commencing with Section 98280) of Chapter 6 of Part 10 of Division 10 of, to amend and renumber Section 98290 of, to add Section

98289.5 to, to add Article 8 (commencing with Section 70223) to Chapter 6 of Part 7 and Article 8.5 (commencing with Section 98290) to Chapter 6 of Part 10 of Division 10 of, and to repeal Section 98261 of, the Public Utilities Code, and to amend Section 7252 of, and to add Section 7211 to, the Revenue and Taxation Code, relating to taxation.

[Approved by Governor September 8, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Article 13 (commencing with Section 29560) is added to Chapter 2 of Division 3 of Title 3 of the Government Code, to read:

Article 13. Transactions and Use Taxes

29560. As used in this article:

(a) "County" means the County of Sonoma.

(b) "Board" means the board of supervisors of the county.

29561. A retail transactions and use tax ordinance applicable in the incorporated and unincorporated territory of a county may be adopted, in accordance with Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code, by a majority of the electors voting on the measure to authorize its enactment at a special election called for that purpose by the board.

29562. Any transactions and use tax ordinance adopted shall be operative on the first day of the first calendar quarter commencing not less than 180 days after adoption of the ordinance.

29563. Repeal of the transactions and use tax ordinance shall not be operative earlier than the first day of the first calendar quarter following the adoption of the ordinance of repeal.

29564. The revenues received by the county from the imposition of the transactions and use taxes shall be used for public transit purposes.

SEC. 2. The heading of Article 7 (commencing with Section 70210) of Chapter 6 of Part 7 of Division 10 of the Public Utilities Code is amended to read:

Article 7. Property Taxation

SEC. 3. Article 8 (commencing with Section 70223) is added to Chapter 6 of Part 7 of Division 10 of the Public Utilities Code, to read:

Article 8. Retail Transactions and Use Tax

70223. A retail transactions and use tax ordinance may be adopted by the board in accordance with the provisions of Part 1.6 (commencing with Section 7251), Division 2 of the Revenue and Taxation Code, provided that a majority of the electors voting on the

measure vote to authorize its enactment at a special election called for that purpose by the board.

70223.1. Any transactions and use tax ordinance adopted shall be operative on the first day of the first calendar quarter commencing not less than 180 days after adoption of the ordinance.

70223.2. The district may contract with the State Board of Equalization for its service in the preparations necessary to administer a transactions and use tax ordinance. The costs to be covered by the contract are to be for services of the types described in Section 7272 of the Revenue and Taxation Code for preparatory work up to the date of the adoption of the ordinance. Any dispute as to the amount of the costs shall be resolved in the same manner as provided in that section.

70223.3. Prior to the operative date of the transactions and use tax ordinance, the district shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of the ordinance.

70223.4. If the district shall not have contracted with the State Board of Equalization prior to the operative date of its transactions and use tax ordinance, it shall nevertheless so contract, and, in such case, the operative date shall be the first day of the first calendar quarter following the execution of the contract.

70223.5. Repeal of the transactions and use tax ordinance shall not be operative earlier than the first day of the first calendar quarter following the adoption of the ordinance of repeal.

SEC. 4. Section 98260 of the Public Utilities Code is amended to read:

98260. The district may borrow money for the purpose of defraying the expenses of the district lawfully incurred after the commencement of the fiscal year, but prior to the time moneys from the tax levy for the fiscal year are received by the district, in an amount, including interest to be paid thereon, which shall not exceed its estimated tax revenues for the fiscal year, and may evidence such borrowing by notes bearing interest at a rate not to exceed 6 percent per annum. The notes shall be payable from the tax levy from the then current fiscal year, which levy shall contain a sum sufficient to provide for the payment of the notes and the interest thereon. The form of the notes and the proceedings relating to their issuance and sale, shall be governed by the applicable provisions contained in Article 7 (commencing with Section 53820) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code.

SEC. 5. Section 98261 of the Public Utilities Code is repealed.

SEC. 6. The heading of Article 8 (commencing with Section 98280) of Chapter 6 of Part 10 of Division 10 of the Public Utilities Code is amended to read:

Article 8. Property Taxation

SEC. 7. Section 98289.5 is added to the Public Utilities Code, to read:

98289.5. (a) On and after the operative date of the transactions and use tax ordinance pursuant to Article 8.5 (commencing with Section 98290) of this chapter, none of the provisions of this article shall be operative except this section and Section 98289.3.

(b) That portion of any property tax installment payable to the district is canceled if the installment may be paid without a delinquent penalty pursuant to Chapter 2.1 (commencing with Section 2700) of Part 5 of Division 1 of the Revenue and Taxation Code on or after the operative date of the transactions and use tax ordinance.

SEC. 8. Section 98290 of the Public Utilities Code is amended and renumbered to read:

98289.3. All taxes levied under this article are a lien on the property on which they are levied and shall become a lien at the same time as county taxes. The enforcement of the collection of such taxes shall be in the same manner and by the same means provided by law for the enforcement of liens for county taxes, all the provisions of law relating to the enforcement of the latter being made a part of this article so far as applicable.

SEC. 9. Article 8.5 (commencing with Section 98290) is added to Chapter 6 of Part 10 of Division 10 of the Public Utilities Code, to read:

Article 8.5. Retail Transactions and Use Tax

98290. A retail transactions and use tax ordinance may be adopted by the board in accordance with the provisions of Part 1.6 (commencing with Section 7251), Division 2 of the Revenue and Taxation Code, provided that a majority of the electors voting on the measure vote to authorize its enactment at a special election called for that purpose by the board.

98291. Any transactions and use tax ordinance adopted shall be operative on the first day of the first calendar quarter commencing not less than 180 days after adoption of the ordinance.

98292. The district may contract with the State Board of Equalization for its service in the preparations necessary to administer a transactions and use tax ordinance. The costs to be covered by the contract are to be for services of the types described in Section 7272 of the Revenue and Taxation Code for preparatory work up to the date of the adoption of the ordinance. Any dispute as to the amount of the costs shall be resolved in the same manner as provided in that section.

98293. Prior to the operative date of the transactions and use tax ordinance, the district shall contract with the State Board of Equalization to perform all functions incident to the administration

and operation of the ordinance.

98294. If the district shall not have contracted with the State Board of Equalization prior to the operative date of its transactions and use tax ordinance, it shall nevertheless so contract, and, in such case, the operative date shall be the first day of the first calendar quarter following the execution of the contract.

98295. Repeal of the transactions and use tax ordinance shall not be operative earlier than the first day of the first calendar quarter following the adoption of the ordinance of repeal.

98296. Whenever a bond election is held to authorize a bonded indebtedness pursuant to Article 1 (commencing with Section 98310) of Chapter 7, the ordinance calling the election may include a statement that the transactions and use taxes, or a stated portion thereof, shall be levied, or continued to be levied, and used to the extent required to pay the principal of, and interest on, the bonds as they become due, to provide any sinking fund payments required therefor, and to create or maintain any reserve fund required therefor.

A vote in favor of the issuance of the bonds shall authorize the use of such taxes for such purposes. The transactions and use tax ordinance shall not be repealed until all bonds payable from the revenues derived from such taxes have been fully paid or provision has been made for their payment in full.

SEC. 10. Section 7211 is added to the Revenue and Taxation Code, to read:

7211. Notwithstanding Section 7203.5, the State Board of Equalization shall continue to administer the sales and use tax ordinance of any county which adopts a transactions and use tax ordinance pursuant to Article 13 (commencing with Section 29560) of Chapter 2 of Division 3 of Title 3 of the Government Code.

SEC. 11. Section 7252 of the Revenue and Taxation Code is amended to read:

7252. "District", as used in this part, means any county, transit district, or rapid transit district authorized, or the Los Angeles County Transportation Commission if authorized, to impose transaction and use taxes pursuant to this part.

CHAPTER 673

An act to amend Section 2611.5 of the Revenue and Taxation Code, relating to local government.

[Approved by Governor September 8, 1977. Filed with Secretary of State September 8, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 2611.5 of the Revenue and Taxation Code is amended to read:

2611.5. (a) The following information shall be included either in each county tax bill or in a separate statement accompanying the tax bill:

(1) The full value and the assessed value of locally assessed property; if in addition thereto a different assessment is required for irrigation district purposes pursuant to Section 26625.1 of the Water Code, the assessed value for such purpose.

(2) The assessment ratio used to determine the assessed value.

(3) The tax rates or the dollar amounts of taxes levied by each revenue district and taxing agency on the property covered by the tax bill. An asterisk, or other distinctive mark, shall appear before the names of all special districts for which the county board of supervisors serves as the governing body.

(4) In lieu of itemizing the information required by paragraph (3) of this subdivision, the tax rates or dollar amounts of taxes levied on the property covered by the bill for county and city purposes. The tax rates or dollar amounts of taxes levied on the property for other purposes shall be itemized. This option is available only if the information is included on the tax bill.

(b) With respect to any property for which the homeowners' property tax exemption is granted, the tax bill or accompanying statement shall include, in addition to the information required by subdivision (a), the following:

(1) The assessed value of the property;

(2) The amount of the homeowners' exemption;

(3) The total tax rate applicable on the property covered by the tax bill;

(4) The gross taxes prior to the application of the homeowners' exemption;

(5) The amount of tax reduction attributable to the homeowners' exemption; and

(6) The total taxes due on the property covered by the tax bill.

(c) The information required by subdivision (b) for single-family homes shall be in the form of the following example:

(1) Assessed value of the property	$5,000
(2) Homeowners' exemption	$1,750
(3) Total tax rate applicable to the property	$10
(4) Gross taxes prior to the application of the homeowners' exemption	$500
(5) Tax reduction attributable to the state-financed homeowners' property tax relief program	$175
(6) Total taxes due	$325

(d) In any year in which all of the assessments on the local secured roll have been raised or lowered as a result of a board order adopted pursuant to Section 18, Article XIII of the California Constitution, the full value may be omitted or, if shown, the tax bill shall include an

explanation of the inconsistency of that figure with the equalized assessed value and the announced assessment ratio. The explanation required by this subdivision may be printed on an enclosure accompanying such bill.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because the duties, obligations or responsibilities imposed on local government by this act are minor in nature and will not place any financial burden on local government.

CHAPTER 674

An act to amend Sections 73, 104, and 2381 of the Streets and Highways Code, relating to transportation.

[Approved by Governor September 8, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 73 of the Streets and Highways Code is amended to read:

73. The commission shall relinquish to any county or city any portion of any state highway within such county or city which has been deleted from the state highway system by legislative enactment, and such relinquishment shall become effective upon the first day of the next calendar or fiscal year, whichever first occurs after the effective date of such legislative enactment. It may likewise relinquish any portion of any state highway which has been superseded by relocation. Whenever the department and the county or city concerned have entered into an agreement providing therefor, or the legislative body of such county or city has adopted a resolution consenting thereto, the commission may relinquish, to any such county or city, any frontage or service road or outer highway, within the territorial limits of such county or city, which has a right-of-way of at least 40 feet in width and which has been constructed as a part of a state highway project, but does not constitute a part of the main traveled roadway thereof. The commission may also relinquish, to a county or city within whose territorial limits is located, any nonmotorized transportation facility, as defined in Section 156, constructed as part of a state highway project if the county or city, as the case may be, has entered into an agreement providing therefor or its legislative body has adopted a resolution consenting thereto.

Relinquishment shall be by resolution. A certified copy of such resolution shall be filed with the board of supervisors or the city clerk, as the case may be. A certified copy of such resolution shall also

be recorded in the office of the recorder of the county where such land is located and, upon such recordation, all right, title, and interest of the state in and to such portion of any state highway shall vest in the county or city, as the case may be, and such highway or portion thereof shall thereupon constitute a county road or city street, as the case may be.

The vesting of all right, title, and interest of the state in and to such portions of any state highways heretofore relinquished by the commission, in the county or city to which it was relinquished, is hereby confirmed.

Prior to relinquishing any portion of a state highway to a county or a city, except where required by legislative enactment, the department shall give 90 days' notice in writing of intention to relinquish to the board of supervisors, or the city council, as the case may be. Where the resolution of relinquishment contains a recital as to the giving of the notice, adoption of the resolution of relinquishment shall be conclusive evidence that the notice has been given.

The commission shall not relinquish to any county or city any portion of any state highway which has been superseded by relocation until the department has placed the highway, as defined in Section 23, in a state of good repair. This requirement shall not obligate the department for widening, new construction, or major reconstruction, except as the commission may direct. A state of good repair requires maintenance, as defined in Section 27, including litter removal, weed control, and tree and shrub trimming to the time of relinquishment.

Within the 90-day period, the board of supervisors or the city council may protest in writing to the commission stating the reasons therefor, including, but not limited to, objections that the highway is not in a state of good repair, or is not needed for public use and should be abandoned by the commission. In the event that the commission does not comply with the requests of the protesting body, it may proceed with the relinquishment only after a public hearing given to the protesting body on 10 days written notice.

SEC. 2. Section 104 of the Streets and Highways Code is amended to read:

104. The department may acquire, either in fee or in any lesser estate or interest, any real property which it considers necessary for state highway purposes. Real property for such purposes includes, but is not limited to, real property considered necessary for any of the following purposes:

(a) For rights-of-way, including those necessary for state highways within cities.

(b) For the purposes of exchanging the same for other real property to be used for rights-of-way.

(c) For rock quarries, gravel pits, or sand or earth borrow pits.

(d) For offices, shops, or storage yards.

(e) For parks adjoining or near any state highway.

(f) For the culture and support of trees which benefit any state highway by aiding in the maintenance and preservation of the roadbed, or which aid in the maintenance of the attractiveness of the scenic beauties of such highway.

(g) For drainage in connection with any state highway.

(h) For the maintenance of an unobstructed view of any portion of a state highway so as to promote the safety of the traveling public.

(i) For the construction and maintenance of stock trails.

(j) For the construction and maintenance of nonmotorized transportation facilities, as defined in Section 156.

SEC. 3. Section 2381 of the Streets and Highways Code is amended to read:

2381. Rights-of-way established for other purposes by cities, counties, or local agencies shall not be abandoned unless the governing body thereof determines that the rights-of-way or parts thereof are not useful as a nonmotorized transportation facility, as defined in Section 156.

State highway rights-of-way shall not be abandoned until the department first consults with the local agencies having jurisdiction over the areas concerned to determine whether the rights-of-way or parts thereof could be developed as such facilities. If an affirmative determination is made, before abandoning such rights-of-way, the department shall first make such property available to local agencies for development as such facilities in accordance with the terms and procedures of Sections 104.15 and 156.8 of this code and Section 14012 of the Government Code.

CHAPTER 675

An act to amend Section 7000 of, and to add Section 7002 to, the Government Code, relating to real property.

[Approved by Governor September 8, 1977. Filed with Secretary of State September 8, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 7000 of the Government Code is amended to read:

7000. It is the intent of the Legislature in enacting this chapter to provide a means whereby the Department of Water Resources, Parks and Recreation, Fish and Game, and Finance, of the State of California, may acquire by purchase, gift, grant, bequest, devise, lease, condemnation or otherwise, the fee or any lesser interest or right in real property in order to protect, preserve, maintain, improve, restore, limit the future use of, or otherwise conserve for public use and enjoyment any of the lands and areas, identified below, alongside the Westside Freeway, Interstate Route 5, and the

California Aqueduct, which have significant scenic values:

(a) Between the California Aqueduct and the Westside Freeway from Highway 41 north to Milham Avenue.

(b) Between the California Aqueduct and the Westside Freeway from Ness Avenue north to Pioneer Road.

(c) Between the California Aqueduct, the Westside Freeway and the Delta-Mendota Canal from Cottonwood Road north to the freeway-aqueduct crossing at Orestimba Creek, and between the aqueduct and freeway north of that point to the Alameda County line.

The Department of Transportation may acquire scenic easements along said Westside Freeway, provided that funds for such easements are obtained pursuant to the provisions of Section 319 of Title 23 of the United States Code relating to the purchase of interests in lands adjacent to highway rights-of-way, provided further that the federal government reimburses the state for the costs of such scenic easements, and also provided that the use of money for this purpose will not reduce the amount of funds which would otherwise be available to the state for highway purposes.

SEC. 2. Section 7002 is added to the Government Code, to read:

7002. The state agencies specified in Section 7000 may exercise the powers specified in that section for the acquisition of rights or interests in real property within the coastal zone, as defined in Section 30103 of the Public Resources Code, for scenic easements or any of the other purposes specified in Section 7000. The provisions of Section 7001 shall apply to the provisions of this section. Such agencies may expend any funds appropriated for such purposes in the acquisition of such rights or interests in real property.

CHAPTER 676

An act to repeal Section 429.20 of the Code of Civil Procedure, to amend Section 26859 of the Government Code, and to amend Section 10000 of, to repeal Sections 10039 and 10069 of, and to repeal and add Chapter 6.5 (commencing with Section 10360) of Division 9 of, the Health and Safety Code, relating to vital statistics.

[Approved by Governor September 8, 1977 Filed with Secretary of State September 8, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 429.20 of the Code of Civil Procedure is repealed.

SEC. 2. Section 26859 of the Government Code is amended to read:

26859. At the time of entry of final judgment of a final dissolution, legal separation, or nullity decree, the petitioner shall pay a fee of two dollars ($2) to the county clerk for the costs of complying with

Chapter 6.5 (commencing with Section 10360) of Division 9 of the Health and Safety Code.

The county clerk shall pay one-half of all such fees to the State Registrar of Vital Statistics each month. The State Registrar shall transmit such sums to the State Treasurer for deposit in the General Fund.

SEC. 3. Section 10000 of the Health and Safety Code is amended to read:

10000. Each live birth, fetal death, death, and marriage which occurs in the state shall be registered as provided in this division on the prescribed certificate forms. In addition, a report of every final dissolution, legal separation, or nullity decree shall be filed with the State Registrar, as provided in this division.

SEC. 4. Section 10039 of the Health and Safety Code is repealed.

SEC. 5. Section 10069 of the Health and Safety Code is repealed.

SEC. 6. Chapter 6.5 (commencing with Section 10360) of Division 9 of the Health and Safety Code is repealed.

SEC. 7. Chapter 6.5. (commencing with Section 10360) is added to Division 9 of the Health and Safety Code, to read:

CHAPTER 6.5. FINAL DECREES OF DISSOLUTION OF MARRIAGE, OF LEGAL SEPARATION, AND OF DECLARATION OF NULLITY

10360. The county clerk of each county shall send a copy of every final decree of dissolution of marriage, of legal separation, and of declaration of nullity to the State Registrar monthly. If a final decree is vacated, the county clerk shall send a copy of the order to the State Registrar.

10361. The State Registrar shall maintain a comprehensive and continuous index of all decrees received under Section 10360.

10362. The State Registrar may charge an applicant a fee of two dollars ($2) for search of the records or provision of a certified copy of a final decree of dissolution of marriage, legal separation, or declaration of nullity.

CHAPTER 677

An act to add Section 789.15 to the Civil Code, and to amend Section 11950 of the Vehicle Code, relating to mobilehomes.

[Approved by Governor September 8, 1977. Filed with Secretary of State September 8, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 789.15 is added to the Civil Code, to read:

789.15. Any escrow, sale, or transfer agreement, involving a mobilehome located in a mobilehome park at the time of sale, where such mobilehome is to remain in the park, shall contain a provision signed by the purchaser stating that he has agreed to the terms of a rental agreement. A copy of a fully executed rental agreement signed by the purchaser will satisfy the requirement of this section.

SEC. 2. Section 11950 of the Vehicle Code is amended to read:

11950. (a) Every new or used mobilehome dealer shall, upon the buyer's signing of a purchase order or conditional sales contract or security agreement for a new or used mobilehome, establish with an escrow agent an escrow account into which shall be deposited any cash or cash equivalent received from the buyer at any time prior to delivery as whole or partial payment for the mobilehome, except when a simultaneous transaction occurs in which the buyer receives delivery of a used mobilehome on the site intended for occupancy within two calendar days, one of which shall be the date of sale.

(b) No deposits shall be disbursed from the escrow account to the dealer until either (1) the buyer receives delivery of the mobilehome on the site and the mobilehome has passed inspection pursuant to Section 18613 of the Health and Safety Code or (2) the mobilehome has been delivered to the location specified in the escrow instructions and the installation is to be performed by the purchaser. The public agency performing the inspection shall give either a copy of the inspection report or a copy of a statement of installation acceptance to the buyer. If a portion of the amount in the escrow account is for accessory structures, then that portion of the amount shall not be released until the accessory structures are actually installed. If no inspection under Section 18613 is required then the deposits may be disbursed from the escrow account upon delivery of the mobilehome to the buyer.

(c) The escrow shall terminate and a full refund shall be made to the buyer 120 days from the date of the sales contract unless delivery is made within this period; provided, however, that the parties may extend the time in writing for 30-day periods with notice to the escrow agent.

(d) The provisions of this section shall apply to all sales by a mobilehome dealer of mobilehomes required to be moved under permit.

(e) Except for those persons or corporations described in subdivision (a) or (c) of Section 17006 of the Financial Code, the Department of Housing and Community Development shall adopt and amend as necessary rules and regulations for the establishment and maintenance of the escrow accounts with escrow agents or escrow companies licensed and regulated by the State of California.

(f) No mobilehome dealer shall establish with an escrow agent an escrow account in an escrow company in which the mobilehome dealer has more than a 5-percent ownership interest.

(g) Prior to the close of escrow, the dealer shall furnish the escrow

agent with (1) the name and address of the legal owner of, or lienholder on, the mobilehome, as shown by the certificate of ownership or the manufacturer's certificate of origin, and (2) the signed and acknowledged release of all rights, title, or interest in the mobilehome held by either the legal owner or lienholder, whichever is applicable. Any such release shall be conditioned upon the receipt of payment from the escrow account of the amount set forth in such release which is necessary to terminate the interest in the mobilehome.

(h) This section creates a civil cause of action against a person who violates the provisions of this section, and upon prevailing, the plaintiff in such action shall be awarded actual damages plus an amount not in excess of two thousand dollars ($2,000). In addition, attorneys' fees and court costs shall also be awarded a plaintiff who prevails in such action.

(i) No agreement shall contain any provision by which the buyer waives his rights under this section, and any such waiver shall be deemed contrary to the public policy and shall be void and unenforceable.

SEC. 2. There are no state-mandated local costs in this act that require reimbursement under Section 2231 of the Revenue and Taxation Code because there are no new duties, obligations or responsibilities imposed on local government by this act.

CHAPTER 678

An act to add and repeal Chapter 2.5 (commencing with Section 9800) to Part 1 of Division 3 of the Unemployment Insurance Code, relating to youth employment and development, and making an appropriation therefor.

[Approved by Governor September 8, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Chapter 2.5 (commencing with Section 9800) is added to Part 1 of Division 3 of the Unemployment Insurance Code, to read:

CHAPTER 2.5. YOUTH EMPLOYMENT AND DEVELOPMENT

Article 1. General Provisions

9800. This chapter shall be known and may be cited as the Youth Employment and Development Act of 1977.

9801. The Legislature hereby makes the following declaration of purpose and intent in enacting the Youth Employment and

Development Act of 1977.

It is the public policy of the State of California to provide for a comprehensive youth services program which will establish a leadership role in the development of local programs for youth employment, to provide legislation enabling the State of California to receive funds available to states through the enactment of the Youth Employment and Demonstration Project Act of 1977, and to develop a long-range plan for improving the transition of youth from school to work.

9802. In enacting the Youth Employment and Development Act of 1977, the Legislature further finds and declares that:

(a) Over 400,000 youth under age 24 are unemployed, which is approximately half the total unemployed in California.

(b) While the number of California's youth is decreasing in relationship to other age groups, the number of unemployed inner-city youth continues to increase.

(c) Existing youth employment programs are insufficient in size and scope to reduce unemployment rates for youth.

(d) Structural unemployment problems based on lack of skills and education deficiencies must be addressed through innovative programs combining work experience and education.

(e) Many young people face a life of inadequate income, failure, and loss of respect because of the inability of the economy to absorb them into the work force. The state also faces an enormous loss in human potential and productive capacity as well as accelerating social costs related to crime, poverty and the attendant problems resulting from unemployment.

It is hereby declared to be the intent of the Legislature to establish within the Employment Development Department the responsibility for youth employment and development. This responsibility shall be carried out in concert with other state agencies mandated to provide services to youth and in conjunction with prime sponsors as described by Public Law 93-203, the Comprehensive Employment and Training Act of 1973.

Article 2. Programs

9805. The Employment Development Department shall conduct the following programs:

(a) Youth on-the-job training programs providing work experience through employment in the private sector, such employment to be subsidized on the basis of regulations developed by the department.

(b) Youth community service programs providing work experience and opportunities for skill development through employment on projects of positive public benefit and designed to conserve and maintain public recreational and community facilities.

(c) Innovative demonstration projects to facilitate the transition of youth from school to work, which shall include, but not be limited

to, the following:

(1) Youth education and work experience voucher payment plans, to test the feasibility of providing youth with more flexibility and freedom in selecting their own courses of instruction and enabling them to negotiate with employers for work experience and training. Such vouchers may be used to compensate an employer for a maximum of two-thirds of wage costs and may be used for basic subsistence and work-related expenses.

(2) Basic education which an eligible youth receives as a complement to work-experience contracts, to test the feasibility of funding innovative educational components which are linked to the worksite training which the individual receives on the job.

(3) The Employment Development Department, the Department of Education, the Chancellor's Office of the Community Colleges, and the Division of Apprenticeship Standards in the Department of Industrial Relations shall cooperate in the development of the innovative demonstration projects described in paragraphs (1) and (2) of this subdivision.

9806. (a) The department shall conduct such studies as are necessary to develop a youth services plan. Such studies shall include, but not be limited to, the following:

(1) The nature and extent of youth unemployment in California.

(2) Barriers to youth employment.

(3) The scope and impact of existing employment and education programs for unemployed youth.

(b) The department shall make recommendations for:

(1) Changes in federal youth employment programs.

(2) Changes in high school support for potential dropouts.

(3) Improvements in local linkages of youth service agencies.

(4) Improvements in statewide coordination and cooperative planning of youth services.

(c) The department shall report to the Legislature on the results of the programs described in this chapter, and shall report on the feasibility of creating a special investment fund for the purpose of assisting youth in establishing their own enterprises.

9807. (a) The department may enter into contractual arrangements with public and private organizations for carrying out projects in furtherance of the programs described in this chapter. The department shall, in awarding such contracts, give priority consideration to projects which address the severity of unemployment among youth of minority backgrounds residing in inner-city neighborhoods. The department shall monitor and evaluate such controls to insure that terms and conditions are being met.

(b) In the event that suitable contractors are not available, the department shall conduct projects in furtherance of the programs described in this chapter.

Article 3. Youth Employment

9810. Youth eligible for employment under this chapter shall have reached the age of 16, but not age 22, and shall be unemployed at the time of employment. Priority in selection for employment shall be given to youth who are experiencing severe handicaps in obtaining employment including, but not limited to, those who lack a high school diploma, need remedial education, or who have other significant barriers to employment.

9811. Youth employed pursuant to this chapter shall receive wages not less than the applicable minimum wage.

Article 4. Project Applications

9815. Public and private organizations may submit project applications to the department requesting funding for projects in furtherance of the programs described in this chapter.

9816. In accordance with regulations prescribed by the director, each project application shall:

(a) Provide a description of the work to be accomplished at the worksite or on the project, the jobs to be filled, and the duration for which the eligible youth would be assigned to such jobs.

(b) Provide a description of job training and development opportunities that will be made available to participating eligible youth, as well as a description of school-related programs, including the awarding of academic credit.

(c) Describe the wages or salaries to be paid persons employed in jobs assisted pursuant to this chapter.

(d) Set forth assurances that there will be an adequate number of supervisory personnel at the worksites on the projects and that the supervisory personnel are adequately trained in skills needed to provide such supervision or to carry out the project and can instruct participating youths in skills needed on the job or to carry out the project.

(e) Set forth assurances that any income generated by the youth community service projects will be applied toward the cost of the project, and that, to the maximum extent feasible, projects carried out under this chapter shall be labor intensive, which shall be measured by comparing the total cost of the project to the proportion of total funds expended for direct wages and salaries and the number of persons employed.

(f) Describe the method of recruiting youth, including arrangements with the field offices of the Employment Development Department and local school systems.

(g) Describe a method of assessing the individual employment and educational needs and goals of each youth, and a means of evaluating progress.

9817. Each applicant desiring funds pursuant to this chapter shall submit a proposed agreement to the director, which shall contain the

project applications approved by the applicant, and other information and assurances as prescribed by the director to carry out the purposes of this chapter.

9818. Project applications submitted by the project applicant to the director shall also be submitted at the time of such application to the local prime sponsor's planning council, or a like organization as determined by the director, for the purpose of affording such council an opportunity to submit comments and recommendations within a reasonable time to the applicant. No member of a prime sponsor's planning council, or like organization, shall cast a vote on any matter in connection with a project in which that member has a direct interest.

9819. The director may approve or deny the project applications included in each proposed agreement on an individual basis.

Article 5. Funding

9825. The department shall administer funds appropriated for the purposes of this chapter, and any other funds available to the state for the purpose of carrying out youth employment and development programs pursuant to this act.

9826. No funds shall be made available to an applicant except pursuant to an agreement entered into between the director and the applicant which provides assurances satisfactory to the director that:

(a) Projects, where appropriate, will be conducted in such manner as to permit the eligible youth employed in the project who are in school to coordinate the job with classroom instruction and, to the extent feasible, to permit such eligible youths to receive credit from the appropriate educational agency or school involved; and

(b) Other assurances, arrangements, and conditions as the director deems appropriate to carry out the purposes of this chapter have been met.

9827. The department shall act as recipient of funds available under the Youth Employment and Demonstration Project Act of 1977, which shall augment funds available from state revenues for the purposes of this chapter.

9828. Not less than 60 percent of the funds available for purposes of this chapter shall be applied to grants to applicants for programs described in subdivisions (a) and (b) of Section 9805.

9829. The Legislature declares its intent that through cooperative agreements with the Department of Education and the Employment Development Department, funds available for educational purposes be applied toward the education portion of such programs as are authorized by this chapter.

9830. The department shall report to the Legislature, on or before January 1 and July 1 of each year, its progress in implementing this chapter, including the number of persons participating in each type of program authorized by this chapter.

9831. This chapter shall remain in effect only until December 31,

1982, and as of such date is repealed, unless a later enacted statute, which is chaptered before December 31, 1982, deletes or extends such date. The Legislative Analyst shall report to the Legislature, no later than January 1, 1982, his recommendations concerning the extension of this chapter beyond December 31, 1982.

SEC. 2. The sum of five million dollars ($5,000,000) is hereby appropriated from the General Fund to the Employment Development Department for the purposes of this act, without regard to fiscal year.

CHAPTER 679

An act to amend Section 17003 of the Financial Code, relating to escrows.

[Approved by Governor September 8, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 17003 of the Financial Code is amended to read:

17003. (a) "Escrow" means any transaction wherein one person, for the purpose of effecting the sale, transfer, encumbering, or leasing of real or personal property to another person, delivers any written instrument, money, evidence of title to real or personal property, or other thing of value to a third person to be held by such third person until the happening of a specified event or the performance of a prescribed condition, when it is then to be delivered by such third person to a grantee, grantor, promisee, promisor, obligee, obligor, bailee, bailor, or any agent or employee of any of the latter.

(b) No person shall, as a condition precedent to entering into any transaction involving the transfer of real property containing a single family residence, require that the escrow be conducted by any specified escrow agent.

The failure to comply with the provisions of this subdivision shall not invalidate the transfer or conveyance of real property to a bona fide purchaser or encumbrancer for value.

CHAPTER 680

An act to amend Section 11519 of the Government Code, relating to administrative adjudication.

[Approved by Governor September 8, 1977 Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 11519 of the Government Code is amended to read:

11519. (a) The decision shall become effective 30 days after it is delivered or mailed to respondent unless: a reconsideration is ordered within that time, or the agency itself orders that the decision shall become effective sooner, or a stay of execution is granted.

(b) A stay of execution may be included in the decision or if not included therein may be granted by the agency at any time before the decision becomes effective. The stay of execution provided herein may be accompanied by an express condition that respondent comply with specified terms of probation; provided, however, that the terms of probation shall be just and reasonable in the light of the findings and decision.

(c) If respondent was required to register with any public officer, a notification of any suspension or revocation shall be sent to such officer after the decision has become effective.

(d) As used in subdivision (b), specified terms of probation may include an order of restitution which requires the party or parties to a contract against whom the decision is rendered to compensate the other party or parties to a contract damaged as a result of a breach of contract by the party against whom the decision is rendered. In such case, the decision shall include findings that a breach of contract has occurred and shall specify the amount of actual damages sustained as a result of such breach. Where restitution is ordered and paid pursuant to the provisions of this subdivision, such amount paid shall be credited to any subsequent judgment in a civil action based on the same breach of contract.

CHAPTER 681

An act to amend Sections 38240 and 38270 of, and to add Section 38273 to, the Vehicle Code, relating to off-highway motor vehicles, and making an appropriation therefor.

[Approved by Governor September 8, 1977. Filed with Secretary of State September 8, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 38240 of the Vehicle Code is amended to read:

38240. (a) The State Controller shall allocate the fees collected under Section 38230 in July and January of each fiscal year in the same manner fees are allocated under Section 11005 of the Revenue and Taxation Code.

(b) It is the intent of the Legislature that funds collected under

Section 38230 be used for any one or more of the following purposes:

(1) Planning, acquiring, developing, constructing, maintaining, administering, operating, or conserving trails, areas, or other facilities for the use of off-highway motor vehicles.

(2) Controlling the operation of motor vehicles in areas off the highways where the operation of motor vehicles is restricted or prohibited.

(3) Otherwise carrying out the provisions of this division.

SEC. 2. Section 38270 of the Vehicle Code is amended to read:

38270. Utilizing special fee funds in the Off-Highway Vehicle Fund created by subdivision (b) of Section 38225, revenue transferred from the Motor Vehicle Fuel Account to the Off-Highway Vehicle Fund created by subdivision (b) of Section 38225, and unexpended service fees, the Department of Parks and Recreation shall carry out programs of planning, acquisition, development, construction, maintenance, administration, operation, and conservation of trails, areas, and other facilities for the use of off-highway motor vehicles. Such funds, revenues and fees shall be allocated as follows:

(a) An amount, not to exceed 50 percent of the special fee and Motor Vehicle Fuel Account transfer revenues of the Off-Highway Vehicle Fund, shall be made available for grants to cities, counties, and appropriate special purpose districts for recreation projects for off-highway motor vehicles in accordance with local government planning and the statewide plans for trails for recreational motor vehicles developed by the Department of Parks and Recreation. Local governments, to be eligible for these funds, shall provide matching funds, or the value of services, material, or property used, in an amount equal to, but not less than 25 percent of, the total expense of the off-highway motor vehicle facility.

Portions of this amount not committed to cities, counties, and appropriate special purpose districts shall be available to the Department of Parks and Recreation for cooperative agreements with federal agencies for acquisition projects or development projects, or both, for the recreational use of off-highway vehicles.

(b) The remainder of the special fee funds, Motor Vehicle Fuel Account transfer revenues, and all unexpended service fees, and all use fee funds, contained in the Off-Highway Vehicle Fund, shall be expended by the Department of Parks and Recreation for recreational areas, trails, and other facilities for the use of such vehicles.

SEC. 3. Section 38273 is added to the Vehicle Code, to read:

38273. No moneys in the Off-Highway Vehicle Fund may be allocated, appropriated, or expended for any administrative costs of any aspect of the activities or operations of the Department of Parks and Recreation that is not directly attributable to the purposes specified in Section 38240.

CHAPTER 682

An act to amend Sections 27173.5 and 27173.7 of the Streets and Highways Code, relating to bridge and highway districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 8, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 27173.5 of the Streets and Highways Code is amended to read:

27173.5. The district shall advertise, pursuant to Section 6066 of the Government Code, for contracts for all vessel repair, maintenance, and alteration work whenever the estimated expenditure therefor is in excess of twenty thousand dollars ($20,000), and for all other construction, repair, maintenance, and alteration work and all similar work, and for all insurance purchased by the district for any reason, except physical damage insurance covering the bridge structure itself, employee benefit insurance, liability insurance, or worker's compensation insurance, whenever the estimated expenditure therefor is in excess of five thousand dollars ($5,000), in (a) at least one newspaper and not more than three newspapers designated by the general manager, which are published in any one county or portion of a county within the district, and (b) by publication for two consecutive insertions in a trade paper of general circulation, published no more than one week apart either in the City of Los Angeles or the City and County of San Francisco, devoted primarily to the dissemination of contract news among contracting firms. The district shall publicly open the bids and award the contract to the lowest responsible bidder.

In case of emergency repairs necessitated by landslide, flood, storm or wind damage, accident, or other casualty, or any other condition which threatens imminent interruption of passenger transportation via district facilities, work may be contracted for a period of not to exceed 30 days after the occurrence or discovery of such emergency without advertising or competitive bidding.

SEC. 2. Section 27173.7 of the Streets and Highways Code is amended to read:

27173.7. All contracts in excess of twenty thousand dollars ($20,000) entered into by the district for the hiring or purchase of equipment, supplies, or materials, are of no effect unless the district shall advertise pursuant to Section 6066 of the Government Code for bids for such contracts in at least one newspaper and not more than three newspapers designated by the general manager, which are published in any one county or portion of a county within the district, and unless the district shall award the contract to the lowest responsible bidder.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that the Golden Gate Bridge, Highway and Transportation District may reduce its administrative cost by not having to expend funds to advertise for bids for liability insurance where in many instances there is only one bidder, and for contracts not exceeding twenty thousand dollars ($20,000) for the hiring or purchase of equipment, supplies, or materials, or for vessel repair, maintenance, and alteration work, it is necessary that this act take effect immediately.

CHAPTER 683

An act to amend Section 690.2 of the Code of Civil Procedure, relating to attachment and execution.

[Approved by Governor September 8, 1977 Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 690.2 of the Code of Civil Procedure is amended to read:

690.2. (a) One motor vehicle with a value not exceeding five hundred dollars ($500), over and above all liens and encumbrances on such motor vehicle. The value of such motor vehicle shall be established by reference to used car price guides customarily used by California automobile dealers, or, if not listed in such guides, fair market value, for a motor vehicle of that year and model.

(b) When the debtor has only one vehicle, the levying officer shall not receive any bid at the execution sale unless it exceeds the total of:

(1) The motor vehicle exemption;

(2) The aggregate amount of all liens and encumbrances on the motor vehicle; and

(3) The amount necessary to repay the judgment creditor for the fees and costs advanced to the levying officer.

In the event no bid is accepted the levying officer shall release the motor vehicle to the debtor within five days.

(c) When the debtor has only one vehicle, the levying officer shall distribute the proceeds of any execution sale or from the undertaking, if necessary, without further order of the court, in the following order of priority:

(1) First, the seller, lienholder or encumbrancer shall recover pursuant to paragraph (1) of Section 689c;

(2) Second, the debtor shall recover five hundred dollars ($500),

the amount of the motor vehicle exemption;

(3) Third, to the satisfaction of the judgment; and

(4) Fourth, the balance, if any, to the debtor.

The distribution shall be made, whether or not the debtor has filed a claim of exemption and regardless of who purchases the motor vehicle.

(d) In addition to the procedure established under this section and Section 690.50, the levying officer shall consult the Department of Motor Vehicles and, if the department's records show that another vehicle is registered in the name of the debtor, the levying officer shall notify the debtor of his findings and that the debtor may file a claim of exemption pursuant to this section prior to the sale of the motor vehicle held by the levying officer but if the debtor so files he waives his right to file a claim of exemption under this section for any other motor vehicle currently registered in the name of the debtor with regard to the judgment giving rise to the existing writ of execution.

The notice required by this subdivision shall be given at the same time and in the same manner as the giving of the notice of sale to the judgment debtor. Notwithstanding the provisions of Section 690.50, a claim of exemption may be filed pursuant to this subdivision at any time prior to the sale of the motor vehicle. If the debtor files a claim of exemption, the motor vehicle held by the levying officer shall be deemed to be the sole motor vehicle owned by the debtor. The procedure for hearing the claim shall be the same as that provided in Section 690.50, and the procedure for sale, if ordered, shall be as provided in subdivision (b) and (c) of this section.

If no claim of exemption is filed after notice is given under this subdivision, the levying officer shall distribute the proceeds of the sale in the following order of priority:

(1) First, the seller, lienholder or encumbrancer shall recover pursuant to paragraph (1) of Section 689c;

(2) Second, to the satisfaction of the judgment; and

(3) Third, the balance, if any, to the debtor.

(e) Any amount representing the motor vehicle exemption paid to the debtor shall be entitled, for a period of 90 days thereafter, to the same protection against legal process which the law gives to the motor vehicle exemption.

CHAPTER 684

An act to add Section 29010.5 to the Public Utilities Code, relating to San Francisco Bay Area Transit District.

[Approved by Governor September 8, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 29010.5 is added to the Public Utilities Code, to read:

29010.5. Notwithstanding Sections 53091 and 53094 of the Government Code, nor any zoning override which may have been previously exercised pursuant thereto by a school district, whenever the district leases or has leased, mortgages or has mortgaged, sells or has sold, or otherwise disposes or has disposed of real property to the school district which was acquired from private owners, the city, whether general law or charter, in which such land is located, or county, in unincorporated areas, shall retain zoning and permit powers.

CHAPTER 685

An act to amend Section 594 of the Code of Civil Procedure, relating to unlawful detainer.

[Approved by Governor September 8, 1977 Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 594 of the Code of Civil Procedure is amended to read:

594. (a) In superior courts and municipal courts either party may bring an issue to trial or to a hearing, and, in the absence of the adverse party, unless the court, for good cause, otherwise directs, may proceed with his case and take a dismissal of the action, or a verdict, or judgment, as the case may require; provided, however, if the issue to be tried is an issue of fact, proof shall first be made to the satisfaction of the court that the adverse party has had 15 days' notice of such trial or five days' notice of such trial in an unlawful detainer action as specified in subdivision (b). If the adverse party has served notice of trial upon the party seeking the dismissal, verdict, or judgment at least five days prior to the trial, the adverse party shall be deemed to have had such notice.

(b) The notice to the adverse party required by subdivision (a) shall be served by mail on all the parties by the clerk of the court not less than 20 days prior to the date set for trial. In an unlawful detainer action where notice is served by mail such service shall be mailed not less than 10 days prior to the date set for trial. If notice is not served by the clerk as required by this subdivision, it may be served by mail by any party on the adverse party not less than 15 days prior to the date set for trial, and in an unlawful detainer action where notice is served by mail such service shall be mailed not less than 10 days prior to the date set for trial. The time provisions of Section 1013 shall not serve to extend the notice of trial requirements under this subdivision for unlawful detainer actions. If notice is served by the

clerk, proof thereof may be made by introduction into evidence of the clerk's certificate pursuant to subdivision (3) of Section 1013a or other competent evidence. If notice is served by a party, proof may be made by introduction into evidence of an affidavit or certificate pursuant to subdivision (1) or (2) of Section 1013a or other competent evidence. The provisions of this subdivision are exclusive.

(c) In justice courts if either party fails to appear at the time fixed for trial, the trial may proceed at the request of the adverse party. When all the parties served with process have appeared, or when some of them have appeared and the default of the others has been entered, the judge shall fix the day for trial, whether the issue be one of law or fact, and the day fixed for trial shall be entered on the docket. Notice of the day fixed for trial shall be given, as herein provided, to the parties to the action who have appeared. Such notice shall be in writing, signed by the judge, or by the clerk if there be a clerk, and substantially in the following form:

In the Justice Court, _____ Judicial District, County of _____, State of California

_____,
Plaintiff,
vs.
_____,
Defendant.

To _____, plaintiff (or attorney for plaintiff) and to _____, defendant (or attorney for defendant).

You and each of you will please take notice that the undersigned judge before whom the above-entitled cause is pending has set for hearing the demurrer of _____, filed in said cause (or has set the said cause for trial, as the case may be), before me at my office in said judicial district, at _____ o'clock, __m., on the _____ day of _____, 19__.

Dated this _____ day of _____, 19__.

(Signed), _____,
Judge

By _____,
Clerk (if signed by clerk)

When a party has appeared by attorney, the notice may be served upon the attorney either personally, by mail, or in the manner prescribed by subdivision 1 of Section 1011.

When a party appears in person, he shall leave with the judge, or with the clerk if there be a clerk, an address where service of such notice may be made, which shall be entered upon the docket; and such notice may, if the address is within the county in which the cause is pending, be served on the party personally if he can be found at the address; otherwise, it may be served by mail in the manner hereinafter specified.

When such notice is personally served, it shall be served at least five days before the day fixed for trial, and may be served by any person competent to serve a summons in such justice court. It shall be served, returned, and filed in the same mannner as a summons.

When such notice is served by mail, it shall be served as follows: For each person who is to be served with such notice, the judge, or clerk if there be a clerk, shall place a copy of such notice in an envelope, seal it, address it to the person on whom it is to be served at his place of residence (or at his office if he is an attorney), and deposit it in the post office at least 10 days before the day fixed for the trial, with the postage prepaid thereon.

When such notice is served by mail, the judge shall enter on his docket the date of mailing such notice, and the entry shall be prima facie evidence of the fact of service.

SEC. 2. Section 594 of the Code of Civil Procedure is amended to read:

594. (a) In superior, municipal, and justice courts either party may bring an issue to trial or to a hearing, and, in the absence of the adverse party, unless the court, for good cause, otherwise directs, may proceed with his case and take a dismissal of the action, or a verdict, or judgment, as the case may require; provided, however, if the issue to be tried is an issue of fact, proof shall first be made to the satisfaction of the court that the adverse party has had 15 days' notice of such trial or five days' notice of such trial in an unlawful detainer action as specified in subdivision (b). If the adverse party has served notice of trial upon the party seeking the dismissal, verdict, or judgment at least five days prior to the trial, the adverse party shall be deemed to have had such notice.

(b) The notice to the adverse party required by subdivision (a) shall be served by mail on all the parties by the clerk of the court not less than 20 days prior to the date set for trial. In an unlawful detainer action where notice is served by mail such service shall be mailed not less than 10 days prior to the date set for trial. If notice is not served by the clerk as required by this subdivision, it may be served by mail by any party on the adverse party not less than 15 days prior to the date set for trial, and in an unlawful detainer action where notice is served by mail such service shall be mailed not less than 10 days prior to the date set for trial. The time provisions of Section 1013 shall not serve to extend the notice of trial requirements under this subdivision for unlawful detainer actions. If notice is served by the clerk, proof thereof may be made by introduction into evidence of the clerk's certificate pursuant to subdivision (3) of Section 1013a or other competent evidence. If notice is served by a party, proof may be made by introduction into evidence of an affidavit or certificate pursuant to subdivision (1) or (2) of Section 1013a or other competent evidence. The provisions of this subdivision are exclusive.

SEC. 3. It is the intent of the Legislature, if this bill and Assembly Bill No. 1941 are both chaptered and become effective on or before January 1, 1978, both bills amend Section 594 of the Code of Civil

Procedure, and this bill is chaptered after Assembly Bill No. 1941, that Section 594 of the Code of Civil Procedure, as amended by Section 19 of Assembly Bill No. 1941, be further amended on the effective date of this act in the form set forth in Section 2 of this act to incorporate the changes in Section 594 proposed by this bill. Therefore, if this bill and Assembly Bill No. 1941 are both chaptered and become effective on or before January 1, 1978, and Assembly Bill No. 1941 is chaptered before this bill and amends Section 594, Section 2 of this act shall become operative on the effective date of this act and Section 1 of this act shall not become operative.

CHAPTER 686

An act to amend Section 231 of the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 8, 1977 Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 231 of the Revenue and Taxation Code is amended to read:

231. (a) Property which is owned by a nonprofit corporation and leased to, and used exclusively by, government for its interest and benefit shall be exempt from taxation within the meaning of "charitable purposes" in subdivision (b) of Section 4 and Section 5 of Article XIII of the Constitution of California if:

(1) All of the provisions of Section 214 are complied with, except subdivision (6). For purposes of subdivision (6) of Section 214, irrevocable dedication to charitable purpose shall be deemed to exist if the lease provides that the property shall be transferred in fee to the entity of government leasing the same upon the sooner of either the liquidation, dissolution or abandonment of the owner or at the time the last rental payment is made under the provisions of the lease.

(2) All of the provisions of Section 254.5 relating to owners are complied with, commencing during calendar year 1969.

(3) All of the provisions of Section 214.01 are complied with by March 15, 1970.

(b) As used in this section "property" means:

(1) Any building or structure of a kind or nature which is uniquely of a governmental character and includes, but is not limited to, the following:

(A) City halls.

(B) Courthouses.

(C) Administration buildings.

(D) Police stations, jails or detention facilities.
(E) Fire stations.
(F) Parks or playgrounds.
(G) Hospitals.
(H) Water and wastewater facilities.

(2) Any other property required for the use and occupation of the buildings and leased to government.

(3) Any possessory interest of the nonprofit corporation in property and in the land upon which the property was constructed and so much of the surrounding land that is required for the use and occupation of the property.

(4) Any building and its equipment in the course of construction on or after the first Monday of March, 1954, together with the land on which it is located as may be required for the use and occupation of the building when such building and equipment is being constructed for the sole purpose of being leased to government to lessen its burden.

"Uniquely of a governmental character" means the property, except hospitals, water, and wastewater facilities, is not intended to produce income or revenue in the form of rents or admission, user or service fees, or charges.

(c) As used in this section "property" does not include any possessory interest of any person or organization not exempt from taxation.

(d) As used in this section "nonprofit corporation" means a community chest, fund, foundation or corporation, not conducted for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual and such nonprofit corporation is organized and operated for the sole purpose of leasing property to government and to lessen the burden of government and, in fact, only leases property to government. Such nonprofit corporation shall qualify as an exempt organization under Section 23701(f) of this code or Section 501(c)(4) of the Internal Revenue Code of 1954. This subdivision is not intended to enlarge the "welfare exemption" to apply to organizations qualified under Section 501(c)(4) of the Internal Revenue Code of 1954 but not otherwise qualified for the "welfare exemption" under this section. Nonprofit corporations meeting the tests of this subdivision are deemed to be organized and operated for charitable purposes.

(e) As used in this section "government" means the State of California, a city, city and county, county, a public corporation, and a hospital district.

(f) The exemption provided for in this section shall be deemed to be within the "welfare exemption" for purposes of Section 251.

(g) For leases first entered into by and between government and nonprofit corporation on or after January 1, 1969, all requirements of this section shall be met for the property and the nonprofit corporation to qualify for the exemption provided by this section.

(h) For leases first entered into by and between government and

nonprofit corporation on or before December 31, 1968, all requirements of this section shall be met except that the last unnumbered paragraph of subdivision (b) shall not apply and for the purposes of subdivision (b) (1) the list of real property qualifying for this exemption includes community recreation buildings or facilities, golf courses, airports, water, sewer and drainage facilities, music centers and their related facilities, and public parking incidental to and in connection with one of the buildings or structures set forth in this section.

(i) Property exempt under this section shall be located within the boundaries of the entity of government leasing the same.

(j) Where the construction has commenced on or after January 1, 1969, improvements shall be advertised and put to competitive bid to qualify for the exemption provided by this section.

SEC. 2. Notwithstanding Section 2229 of the Revenue and Taxation Code, no appropriation is made by this act and the state shall not reimburse any local agency for any property tax revenues lost by it under this act because this act is in accordance with the request of a local governmental entity.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because the duties, obligations or responsibilities imposed on local governmental entities or school districts by this act are such that related costs are incurred as part of their normal operating procedures.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

The governmental entities that will form the nonprofit corporation authorized by this legislation to construct water and wastewater facilities desire to proceed at the earliest possible time to begin such construction to provide public facilities for the transmission and delivery of a higher quality water in areas experiencing water quality problems and to construct those facilities necessary to meet waste discharge standards imposed by the state.

CHAPTER 687

An act to amend Sections 409.5 and 12403 of the Penal Code, relating to peace officers.

[Approved by Governor September 8, 1977 Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 409.5 of the Penal Code is amended to read:

409.5. (a) Whenever a menace to the public health or safety is created by a calamity such as flood, storm, fire, earthquake, explosion, accident or other disaster, officers of the California Highway Patrol, police departments or sheriff's office, any officer or employee of the Department of Forestry designated a peace officer by subdivision (f) of Section 830.3, and any officer or employee of the Department of Parks and Recreation designated a peace officer by subdivision (i) of Section 830.3, may close the area where the menace exists for the duration thereof by means of ropes, markers or guards to any and all persons not authorized by such officer to enter or remain within the closed area. If such a calamity creates an immediate menace to the public health, the local health officer may close the area where the menace exists pursuant to the conditions which are set forth above in this section.

(b) Officers of the California Highway Patrol, police departments, or sheriff's office or officers of the Department of Forestry designated as peace officers by subdivision (f) of Section 830.3 may close the immediate area surrounding any emergency field command post or any other command post activated for the purpose of abating any calamity enumerated in this section or any riot or other civil disturbance to any and all unauthorized persons pursuant to the conditions which are set forth in this section whether or not such field command post or other command post is located near to the actual calamity or riot or other civil disturbance.

(c) Any unauthorized person who willfully and knowingly enters an area closed pursuant to subdivision (a) or (b) and who willfully remains within such area after receiving notice to evacuate or leave shall be guilty of a misdemeanor.

(d) Nothing in this section shall prevent a duly authorized representative of any news service, newspaper, or radio or television station or network from entering the areas closed pursuant to this section.

SEC. 2. Section 12403 of the Penal Code is amended to read:

12403. Nothing in this chapter shall prohibit any person who is a peace officer as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 from purchasing, possessing, or transporting any tear gas weapon for official use in the discharge of his duties, if such weapon has been certified as acceptable under Article 5 (commencing with Section 12450) of this chapter and if such person has satisfactorily completed a course of instruction approved by the Commission on Peace Officers Standards and Training in the use of tear gas.

CHAPTER 688

An act to repeal Section 3500 of the Labor Code, relating to workers' compensation.

[Approved by Governor September 8, 1977 Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 3500 of the Labor Code is repealed.

SEC. 2. No appropriation is made by this act, nor is any obligation created thereby under Section 2231 of the Revenue and Taxation Code for the reimbursement of any costs that may be incurred by it in carrying out any program or performing any service required to be carried on or performed by it by this act.

CHAPTER 689

An act to add Section 66780.5 to the Government Code, relating to solid waste management.

[Approved by Governor September 8, 1977 Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 66780.5 is added to the Government Code, to read:

66780.5. A regional solid waste management plan shall be prepared and updated by the Association of Bay Area Governments for the San Francisco Bay Area, as defined by the Office of Planning and Research pursuant to Section 65040.4. The regional plan shall be developed in cooperation with all affected local jurisdictions, and shall be based primarily on county solid waste management plans submitted to and approved by the board pursuant to this chapter. The regional plan shall address only those regional issues identified by local governments in the county solid waste management plans. Policies and programs for regional solid waste management shall be consistent with the state policy to protect the public health, enhance the environment and conserve its natural resources, as adopted by the board pursuant to Section 66770 of this chapter. Regional programs and policies shall not include aspects of solid waste handling that are primarily the responsibility of local governments, as defined by Sections 66732 and 66771. In order that the provisions of Sections 66701 and 66770 of this chapter are carried out to the maximum feasible extent, the regional plan shall be consistent with the San Francisco Bay Area air quality maintenance plan prepared and revised pursuant to the Federal Clean Air Act of 1970, as

amended, and shall be consistent with the areawide waste treatment management plan prepared and revised pursuant to Section 208 of the Federal Water Pollution Control Act, as amended. The regional plan, and subsequent amendments thereto, shall be submitted to the general assembly of the association. Once approved in such assembly by a majority of the counties representing a majority of the population of the San Francisco Bay Area, and in such assembly by a majority of the cities representing a majority of the population of incorporated areas in the San Francisco Bay Area, the regional plan shall be submitted to the board for approval. Submission of the initial plan shall be made in April 1978, together with the areawide waste treatment management plan to be submitted to the State Water Resources Control Board and the air quality maintenance plan to be submitted to the State Air Resources Board. Hazardous waste policies and programs of the regional plan shall be submitted to the State Department of Health for approval. The regional plan shall, upon approval by the board and the State Department of Health, become part of the state plan to meet the requirements of the Federal Resource Conservation and Recovery Act of 1976. In carrying out the obligations of this section, the association shall comply with applicable guidelines and regulations of the board, the State Air Resources Board, the State Water Resources Control Board, and the State Department of Health. Nothing in this section shall preclude a local government from entering into a contract with the board for a solid waste management or resources recovery project consistent with state law.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because this act is in accordance with the request of local government entities that desire authority to carry out the programs specified in the act. This act also affirms for the state activities that are already in existence and funds for such activities are provided by the federal government under the Federal Water Pollution Control Act, as amended. The association shall also use any other available federal funds for which it is eligible, including those provided under the Federal Resource Conservation and Recovery Act of 1976 if designated by the Governor to receive such funds.

CHAPTER 690

An act to amend Sections 246, 447a, and 459 of the Penal Code, relating to house cars.

[Approved by Governor September 8, 1977 Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 246 of the Penal Code is amended to read:

246. Any person who shall maliciously and willfully discharge a firearm at an inhabited dwelling house, occupied building, occupied motor vehicle, inhabited house car, as defined in Section 362 of the Vehicle Code, or inhabited camper, as defined in Section 243 of the Vehicle Code, is guilty of a felony, and upon conviction shall be punished by imprisonment in the state prison, or by imprisonment in the county jail not exceeding one year. As used in this section, "inhabited" means currently being used for dwelling purposes, whether occupied or not.

SEC. 2. Section 447a of the Penal Code is amended to read:

447a. Any person who willfully and maliciously sets fire to or burns or causes to be burned or who aids, counsels or procures the burning of any trailer coach, as defined in Section 635 of the Vehicle Code, or any inhabited house car, as defined in Section 362 of the Vehicle Code, or inhabited camper, as defined in Section 243 of the Vehicle Code, or any dwelling house, or any kitchen, shop, barn, stable or other outhouse that is parcel thereof, or belonging to or adjoining thereto, whether the property of himself or of another, shall be guilty of arson, and upon conviction thereof, be sentenced to the state prison for two, three or four years. As used in this section, "inhabited" means currently being used for dwelling purposes, whether occupied or not.

SEC. 3. Section 459 of the Penal Code is amended to read:

459. Every person who enters any house, room, apartment, tenement, shop, warehouse, store, mill, barn, stable, outhouse or other building, tent, vessel, railroad car, trailer coach, as defined in Section 635 of the Vehicle Code, any house car, as defined in Section 362 of the Vehicle Code, inhabited camper, as defined in Section 243 of the Vehicle Code, vehicle as defined by the Vehicle Code when the doors of such vehicle are locked, aircraft as defined by the Harbors and Navigation Code, mine or any underground portion thereof, with intent to commit grand or petit larceny or any felony is guilty of burglary. As used in this section, "inhabited" means currently being used for dwelling purposes, whether occupied or not.

SEC. 4. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local governmental entities and school districts which, in the aggregate, do not result in significant indentifiable cost changes.

CHAPTER 691

An act to amend Sections 1026, 1026.1, 1370, 1370.3, and 1374 of the Penal Code, and to amend Sections 5328.2, 5352.5, 5402.1, 6316, 6325.1, and 7375 of, to amend and renumber Section 6325.1 of, the Welfare and Institutions Code, relating to mental health, and making an appropriation therefor.

[Approved by Governor September 8, 1977. Filed with Secretary of State September 8, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 1026 of the Penal Code is amended to read:

1026. When a defendant pleads not guilty by reason of insanity, and also joins with it another plea or pleas, he shall first be tried as if he had entered such other plea or pleas only, and in such trial he shall be conclusively presumed to have been sane at the time the offense is alleged to have been committed. If the jury shall find the defendant guilty, or if the defendant pleads only not guilty by reason of insanity, then the question whether the defendant was sane or insane at the time the offense was committed shall be promptly tried, either before the same jury or before a new jury in the discretion of the court. In such trial the jury shall return a verdict either that the defendant was sane at the time the offense was committed or that he was insane at the time the offense was committed. If the verdict or finding be that the defendant was sane at the time the offense was committed, the court shall sentence the defendant as provided by law. If the verdict or finding be that the defendant was insane at the time the offense was committed, the court unless it shall appear to the court that the defendant has fully recovered his sanity shall direct that the defendant be confined in a state hospital for the care and treatment of the mentally disordered or any other appropriate public or private mental health facility approved by the county mental health director, or the court may order the defendant to undergo outpatient treatment as specified in Section 1026.1 of the Penal Code. The court shall transmit a copy of its order to the county mental health director or his designee. If the defendant has been found guilty of murder, mayhem, a violation of Section 207 or 209 of the Penal Code in which the victim suffers intentionally inflicted great bodily injury, robbery in the first degree or in which the victim suffers great bodily injury, a violation of Section 447a of the Penal Code involving a trailer coach, as defined in Section 635 of the Vehicle Code, or any dwelling house, a violation of subdivision 2 or 3 of Section 261 of the Penal Code, a violation of Section 459 of the Penal Code in the first degree, assault with intent to commit murder, a violation of Section 220 of the Penal Code in which the victim suffers great bodily injury, a violation of Section 12303.1, 12303.2, 12303.3, 12308, 12309, or 12310 of the Penal Code, or if the defendant

has been found guilty of a felony involving death, great bodily injury, or an act which poses a serious threat of bodily harm to another person, the court shall direct that the defendant be confined in a state hospital or other public or private mental health facility approved by the county mental health director for a minimum of 90 days before such defendant may be released on outpatient treatment pursuant to subdivision (c) of Section 7375 of the Welfare and Institutions Code. Prior to making such order directing that the defendant be confined in a state hospital or other facility or ordered to undergo outpatient treatment, the court shall order the county mental health director or his designee to evaluate the defendant and to submit to the court within 15 judicial days of such order his written recommendation as to whether the defendant should be required to undergo outpatient treatment or committed to a state hospital or another mental health facility. No person shall be admitted to a state hospital or other facility or accepted for outpatient treatment under this section without having been evaluated by the county mental health director or his or her designee. If, however, it shall appear to the court that the defendant has fully recovered his sanity such defendant shall be remanded to the custody of the sheriff until his sanity shall have been finally determined in the manner prescribed by law. A defendant committed to a state hospital or other facility or ordered to undergo outpatient treatment shall not be released from confinement or the required outpatient treatment unless and until the court which committed him shall, after notice and hearing, find and determine that his sanity has been restored. Nothing in this section contained shall prevent the transfer of such person from one state hospital to any other state hospital by proper authority nor the transfer of such patient to a hospital in another state in the manner provided by law, upon order of the superior court in the county from which he was committed, or in which he is detained.

If the defendant is committed or transferred to a state hospital pursuant to this section, the court may, upon receiving the written recommendation of the superintendent of the state hospital and the county mental health director that the defendant be transferred to a public or private mental health facility approved by the county mental health director, order the defendant transferred to such facility. If the defendant is committed or transferred to a public or private mental health facility approved by the county mental health director, the court may, upon receiving the written recommendation of the county mental health director, transfer the defendant to a state hospital or to another public or private mental health facility approved by the county mental health director. The defendant or prosecuting attorney, if he chooses to contest either kind of order of transfer, may petition the court for a hearing which shall be held if the court determines that sufficient grounds exist. At such hearing the prosecuting attorney or the defendant may present evidence bearing on the order of transfer. The court shall use the same standards as used in conducting probation revocation hearings

pursuant to Section 1203.2 of the Penal Code.

Prior to making an order for transfer under this section, the court shall notify the defendant, the attorney of record for the defendant, the prosecuting attorney, and the county mental health director or his designee.

SEC. 1.5. Section 1026.1 of the Penal Code is amended to read:

1026.1. (a) If, in the evaluation ordered by the court under Section 1026, the county mental health director, or his designee, is of the opinion that the defendant is not a danger to the health and safety of others while on outpatient treatment and will benefit from such treatment, and has obtained the agreement of the person in charge of a mental health facility and of the defendant that the defendant will receive and submit to outpatient treatment and that the person in charge of the facility will designate a person to be the outpatient supervisor of the defendant, the court may order the defendant to undergo outpatient treatment. The court shall inform the prosecuting attorney and the defendant's attorney of record of its intent to make such an order, and shall make the evaluation and recommendation of the county mental health director, or his designee, available to them at least 15 days in advance of its order. The court may hold a hearing prior to ordering outpatient treatment, and may (1) approve or disapprove of the plan or (2) take no action, in which case the plan shall be deemed to have been approved. At the request of the prosecuting attorney a hearing shall be held. Prior to filing such announcement of intent the county mental health director, or his designee, shall obtain the agreement of the person in charge of a mental health facility and of the defendant that the defendant will receive and submit to outpatient treatment and that the person in charge of the facility will designate a person to be the outpatient supervisor of the defendant. At 90-day intervals following the beginning of outpatient treatment, the outpatient supervisor shall make a report in writing to the court, the prosecuting attorney and the attorney of record for the defendant setting forth the status and progress of the defendant. The maximum period of such treatment shall not exceed one year. The court may at the end of such maximum period renew its approval for additional outpatient treatment upon the request of the county mental health director or his designee.

(b) When the outpatient supervisor is of the opinion that the defendant has regained his sanity the supervisor shall communicate such opinion to the person in charge of the facility. If the person in charge of the facility concurs, he shall submit an application for release pursuant to Section 1026a.

(c) If at any time during an outpatient treatment period the outpatient supervisor is of the opinion that the defendant requires extended inpatient treatment or refuses to accept further outpatient treatment, he shall communicate such opinion or refusal to the person in charge of the facility. If the person in charge of the facility concurs, he shall notify the committing court, the prosecuting

attorney, the attorney of record for the defendant, and the county mental health director or his designee of his intent to transfer the defendant to a state hospital or any other public or private mental health facility approved by the county mental health director. Within 15 judicial days, the court shall (1) approve or disapprove of the transfer or (2) take no action, in which case the transfer shall be deemed approved. Such transfer shall be reviewable by a writ of habeas corpus only. If a verified petition for a writ alleges on its face facts sufficient to justify relief, an order to show cause shall issue.

(d) If at any time during an outpatient treatment period the prosecuting attorney is of the opinion that the defendant is a danger to the health and safety of others while on outpatient treatment, he may petition the court for a hearing to determine whether the defendant shall be continued on outpatient treatment. The court shall calendar the case for further proceedings and the clerk shall notify the defendant, outpatient supervisor, the attorney of record for the defendant, and the county mental health director or his designee of the calendared date. Upon failure of the defendant to appear as noticed, if a proper affidavit of service and advisement has been filed with the court, the court may issue a body attachment for such defendant. If, after a hearing in open court conducted with the same standards used in probation revocation hearings pursuant to Section 1203.2, the judge of the committing court determines that the defendant is a danger to the health and safety of others, he shall commit the defendant to a state hospital for the care and treatment of the mentally disordered or to any public or private mental health facility approved by the county mental health director.

The court shall transmit a copy of its order to the county mental health director or his designee. Such order shall be reviewable by a writ of habeas corpus only.

(e) An outpatient who requires inpatient treatment pending judicial determination of his outpatient status pursuant to subdivisions (c) and (d) shall receive such treatment subject to the provisions of Sections 5150, 5200, 5250, and 5300 of the Welfare and Institutions Code.

The person in charge of the facility in which an outpatient receives inpatient treatment shall notify the county mental health director or his designee of inpatient treatment provided to an outpatient under this section.

SEC. 2. Section 1370 of the Penal Code is amended to read:

1370. (a) If the defendant is found mentally competent, the criminal process shall resume, the trial on the offense charged shall proceed, and judgment may be pronounced. If the defendant is found mentally incompetent, the trial or judgment shall be suspended until he becomes mentally competent, and the court shall order that (1) in the meantime, the defendant be delivered by the sheriff to a state hospital for the care and treatment of the mentally disordered or to any other available public or private mental health treatment facility approved by the county mental health director as

will promote the defendant's speedy restoration of mental competence, or be ordered to undergo outpatient treatment as specified in Section 1370.3 and (2) upon his becoming competent, he be redelivered to the sheriff to be returned to court where the criminal process shall resume. The court shall transmit a copy of its order to the county mental health director or his designee.

If the defendant has been charged with murder, mayhem, a violation of Section 207 or 209 of the Penal Code in which the victim suffers intentionally inflicted great bodily injury, robbery in the first degree or in which the victim suffers great bodily injury, a violation of Section 447a of the Penal Code involving a trailer coach, as defined in Section 635 of the Vehicle Code, or any dwelling house, a violation of subdivision (2) and (3) of Section 261 of the Penal Code, a violation of Section 459 of the Penal Code in the first degree, assault with intent to commit murder, a violation of Section 220 of the Penal Code in which the victim suffers great bodily injury, a violation of Section 12303.1, 12303.3, 12308, 12309, or 12310 of the Penal Code, or if the defendant has been charged with a felony involving death, great bodily injury, or an act which poses a serious threat of bodily harm to another person, the court shall direct that the defendant be confined in a state hospital or other public or private mental health facility approved by the county mental health director for a minimum of 90 days before such defendant may be released on outpatient treatment pursuant to Section 1374. Prior to release on outpatient treatment, such defendant shall be returned to court for a hearing to determine whether the defendant is entitled to be admitted to bail or released upon his own recognizance.

Prior to making such order, the court shall order the county mental health director or his designee to evaluate the defendant and to submit to the court within 15 judicial days of such order his written recommendation as to whether the defendant should be required to undergo outpatient treatment, or committed to a state hospital or to any other mental health facility. No person shall be admitted to a state hospital or other facility or accepted for outpatient treatment under this section without having been evaluated by the county mental health director or his or her designee.

If the defendant is committed or transferred to a state hospital pursuant to this section, the court may, upon receiving the written recommendation of the superintendent of the state hospital and the county mental health director that the defendant be transferred to a public or private mental health facility approved by the county mental health director, order the defendant transferred to such facility. If the defendant is committed or transferred to a public or private mental health facility approved by the county mental health director, the court may, upon receiving the written recommendation of the county mental health director, transfer the defendant to a state hospital or to another public or private mental health facility approved by the county mental health director. In the event of dismissal of the criminal charges before the defendant

recovers competence, the person shall be subject to the applicable provisions of the Lanterman-Petris-Short Act (Part 1 (commencing with Section 5000) of Division 5 of the Welfare and Institutions Code). The defendant or prosecuting attorney, if he chooses to contest either kind of order of transfer, may petition the court for a hearing, which shall be held if the court determines that sufficient grounds exist. At such hearing the prosecuting attorney or the defendant may present evidence bearing on the order of transfer. The court shall use the same standards as used in conducting probation revocation hearings pursuant to Section 1203.2 of the Penal Code.

Prior to making an order for transfer under this section, the court shall notify the defendant, the attorney of record for the defendant, the prosecuting attorney, and the county mental health director or his designee.

(b) (1) Within 90 days of a commitment made pursuant to subdivision (a), the superintendent of the state hospital or other facility to which the defendant is committed or from which the defendant is placed on outpatient treatment shall make a written report to the court and the county mental health director or his designee concerning the defendant's progress toward recovery of his mental competence. If the defendant has not recovered his mental competence, but the report discloses a substantial likelihood the defendant will regain his mental competence in the foreseeable future, he shall remain in the state hospital or other facility or on outpatient treatment. Thereafter, at six-month intervals or until the defendant becomes mentally competent, the superintendent of the hospital or person in charge of the facility shall report to the court and the county mental health director or his designee regarding the defendant's progress toward recovery of his mental competence. If the report indicates that there is no substantial likelihood that the defendant will regain his mental competence in the foreseeable future, the committing court shall order him to be returned to the court for proceedings pursuant to paragraph (2) of subdivision (c). The court shall transmit a copy of its order to the county mental health director or his designee.

(2) If, after the defendant has been committed or has undergone outpatient treatment for 18 months, he is still hospitalized or on outpatient treatment pursuant to this section, he shall be returned to the committing court where a hearing shall be held pursuant to the procedures set forth in Section 1369. The court shall transmit a copy of its order to the county mental health director or his designee.

(3) If it is determined by the court that no treatment for the defendant's mental impairment is being conducted, the defendant shall be returned to the committing court.

(4) The superintendent or person in charge of the facility shall deliver the reports made pursuant to paragraph (1) to the committing court and to the county mental health director or his designee, which shall provide a copy thereof to the defendant, his

attorney of record, and any other interested person specified by the defendant.

(c) (1) If, at the end of three years from the date of commitment or a period of commitment equal to the maximum term of imprisonment provided by law for the most serious offense charged in the information, indictment, or misdemeanor complaint, whichever is shorter, the defendant has not recovered his mental competence, he shall be returned to the committing court. The court shall notify the county mental health director or his designee of such return and of any resulting court orders.

(2) Whenever any defendant is returned to the court pursuant to paragraph (2) of subdivision (b) or paragraph (1) of subdivision (c) and it appears to the court that the defendant is gravely disabled as defined in paragraph (2) of subdivision (h) of Section 5008 of the Welfare and Institutions Code, the court shall order the conservatorship investigator of the county of commitment of the defendant to initiate conservatorship proceedings for such defendant pursuant to Chapter 3 (commencing with Section 5350) of Part 1 of Division 5 of the Welfare and Institutions Code. Any hearings required in the conservatorship proceedings shall be held in the superior court in the county which ordered the commitment. The court shall transmit a copy of the order directing initiation of conservatorship proceedings to the county mental health director or his designee.

(d) The criminal action remains subject to dismissal pursuant to Section 1385.

(e) If the criminal charge against the defendant is dismissed, the defendant shall be released from any commitment ordered under this section, but without prejudice to the initiation of any proceedings under the Lanterman-Petris-Short Act, Part 1 (commencing with Section 5000) of Division 5 of the Welfare and Institutions Code, which may be appropriate.

SEC. 2.5. Section 1370.3 of the Penal Code is amended to read:

1370.3. (a) If, in the evaluation ordered by the court under Section 1370.1, the county mental health director, or his designee, is of the opinion that the defendant is not a danger to the health and safety of others while on outpatient treatment and will benefit from such treatment, and has obtained the agreement of the person in charge of a mental health facility and of the defendant that the defendant will receive and submit to outpatient treatment and that the person in charge of the facility will designate a person to be the outpatient supervisor of the defendant, the court may order the defendant to undergo outpatient treatment. The court shall inform the prosecuting attorney and the defendant's attorney of record of its intent to make such an order, and shall make the evaluation and recommendation of the county mental health director, or his designee, available to them at least 15 days in advance of its order. The court may hold a hearing prior to ordering outpatient treatment, and (1) approve or disapprove of the plan or (2) take no action, in

which case the plan shall be deemed approved. The court shall transmit a copy of its order to the county mental health director or his designee. At the request of the prosecuting attorney a hearing shall be held. Prior to filing such announcement of intent the county mental health director, or his designee, shall obtain the agreement of the person in charge of a mental health facility and of the defendant that the defendant will receive and submit to outpatient treatment and that the person in charge of the facility will designate a person to be the outpatient supervisor of the defendant. At 90-day intervals following the beginning of outpatient treatment, the outpatient supervisor shall make a report in writing to the court, the prosecuting attorney, the attorney of record for the defendant, and the county mental health director or his designee setting forth the status and progress of the defendant. The maximum period of such treatment shall not exceed one year. The court may at the end of such maximum period renew its approval for additional outpatient treatment upon the request of the county mental health director or his designee.

(b) When the outpatient supervisor is of the opinion that the defendant has recovered competence the supervisor shall communicate such opinion to the person in charge of the facility. If the person in charge of the facility concurs, he shall certify the opinion to the county mental health director or his designee, committing court, prosecuting attorney, and attorney of record for the defendant. The court shall calendar the case for further proceedings pursuant to Section 1372.

(c) If at any time during an outpatient treatment period the outpatient supervisor is of the opinion that the defendant requires extended inpatient treatment or refuses to accept further outpatient treatment, he shall communicate such opinion or refusal to the person in charge of the facility. If the person in charge of the facility concurs, he shall notify the committing court, the prosecuting attorney, the attorney of record for the defendant, and the county mental health director or his designee of his intent to transfer the defendant to a state hospital or any other public or private mental health facility approved by the county mental health director. Within 15 judicial days, the court shall (1) aprove or disapprove of the transfer or (2) take no action, in which case the transfer shall be deemed approved. Such transfer shall be reviewable by a writ of a habeas corpus only. If a verified petition for a writ alleges on its face facts sufficient to justify relief, an order to show cause shall issue.

(d) If at any time during an outpatient treatment period the prosecuting attorney is of the opinion that the defendant is a danger to the health and safety of others, while on outpatient treatment, he may petition the court for a hearing to determine whether the defendant shall be continued on outpatient treatment. The court shall calendar the case for further proceedings and the clerk shall notify the defendant, outpatient supervisor, the attorney of record for the defendant, and the county mental health director or his

designee of the calendared date. Upon failure of the defendant to appear as noticed, if a proper affidavit of service and advisement has been filed with the court, the court may issue a body attachment for the defendant. If, after a hearing in open court conducted with the same standards used in probation revocation hearings pursuant to Section 1203.2, the judge of the committing court determines that the defendant is a danger to the health and safety of others, he shall commit the defendant to a state hospital for the care and treatment of the mentally disordered or to any public or private mental health facility approved by the county mental health director. The court shall transmit a copy of its order to the county mental health director or his designee. Such order shall be reviewable by a writ of habeas corpus only.

(e) An outpatient who requires inpatient treatment pending judicial determination of his outpatient status pursuant to subdivisions (c) and (d) shall receive such treatment subject to the provisions of Sections 5150, 5200, 5250, and 5300 of the Welfare and Institutions Code.

The person in charge of the facility in which an outpatient receives inpatient treatment shall notify the county mental health director or his designee of inpatient treatment provided to an outpatient under this section.

SEC. 3. Section 1374 of the Penal Code is amended to read:

1374. (a) If the superintendent of a state hospital or other facility to which the defendant is committed or transferred is of the opinion that the defendant is not a danger to the health and safety of others, he may allow the defendant to be treated as an outpatient.

An announcement of intent to place the defendant on outpatient status shall be provided to the committing court, prosecuting attorney, and attorney of record for the defendant at least 15 days in advance of the change in status. The court may hold a hearing and (1) approve or disapprove of the plan or (2) take no action, in which case the plan shall be deemed to have been approved.

(b) Prior to filing such announcement of intent the superintendent shall obtain the agreement of the county mental health director, the person in charge of a mental health facility and of the defendant, that the defendant will receive and submit to outpatient treatment and that the person in charge of the facility will designate a person to be the outpatient supervisor of the defendant. At 90-day intervals following the beginning of outpatient treatment, the outpatient supervisor shall make a report in writing to the court, the state hospital or other facility to which the defendant was committed or transferred, the county mental health director or his designee, and to the person in charge of the mental health facility setting forth the status and progress of the defendant. The maximum period of such treatment shall not exceed one year. The court may at the end of such maximum period renew its approval for additional outpatient treatment upon the request of the superintendent of the state hospital or other facility. If the court does not so renew its

approval, and the person has not been discharged from commitment, he shall be returned to the state hospital or other facility.

(c) When the outpatient supervisor is of the opinion that the defendant has recovered competence the supervisor shall communicate such opinion to the person in charge of the facility. If the person in charge of the facility concurs, he shall certify the opinion to the committing court, prosecuting attorney, attorney of record for the defendant, the county mental health director or his designee, and the director of the state hospital or other facility. The court shall calendar the case for further proceedings pursuant to Section 1372.

(d) If at any time during an outpatient treatment period the outpatient supervisor is of the opinion that the defendant requires extended inpatient treatment or refuses to accept further outpatient treatment, he shall communicate such opinion or refusal to the person in charge of the facility. If the person in charge of the facility concurs, the defendant shall be returned to the state hospital or other facility to which he was committed or transferred pursuant to Section 1370. The person in charge of the facility shall notify the county mental health director or his designee of the defendant's return. Such return shall be reviewable by a writ of habeas corpus only. If a verified petition for a writ alleges on its face facts sufficient to justify relief, an order to show cause shall issue.

(e) If at any time during an outpatient treatment period the prosecuting attorney is of the opinion that the defendant is a danger to the health and safety of others while on outpatient treatment, he may petition the court for a hearing to determine whether the defendant shall be continued on outpatient treatment. The court shall calendar the case for further proceedings and the clerk shall notify the defendant, outpatient supervisor, the attorney of record for the defendant, and the county mental health director or his designee of the calendared date. Upon failure of the defendant to appear as noticed, if a proper affidavit of service and advisement has been filed with the court, the court may issue a body attachment for the defendant. If, after a hearing in open court conducted with the same standards used in probation revocation hearings pursuant to Section 1203.2, the judge of the committing court determines that the defendant is a danger to the health and safety of others, he shall order the defendant returned to the state hospital or other facility to which he was committed or transferred pursuant to Section 1370.

The court shall transmit a copy of its order to the county mental health director or his designee. Such order shall be reviewable by a writ of habeas corpus only.

(f) An outpatient who requires inpatient treatment pending determination of his outpatient status pursuant to subdivisions (b) and (c) shall receive such treatment subject to the provisions of Sections 5150, 5200, 5250, and 5300 of the Welfare and Institutions Code.

The person in charge of the facility in which an outpatient receives

inpatient treatment shall notify the county mental health director or his designee of inpatient treatment provided to an outpatient under this section.

SEC. 4. Section 5328.2 of the Welfare and Institutions Code is amended to read:

5328.2. Notwithstanding Section 5328, movement and identification information and records regarding a patient who is committed to the department, state hospital, or any other public or private mental health facility approved by the county mental health director for observation or for an indeterminate period as a mentally disordered sex offender, or regarding a patient who is committed to the department, to a state hospital, or any other public or private mental health facility approved by the county mental health director under Section 1026 or 1370 of the Penal Code, shall be forwarded immediately without prior request to the Department of Justice. Except as otherwise provided by law, information automatically reported under this section shall be restricted to name, address, fingerprints, date of admission, date of discharge, date of escape or return from escape, date of any home leave, parole or leave of absence. The Department of Justice may in turn furnish information reported under this section pursuant to Section 11105 of the Penal Code. It shall be a misdemeanor for recipients furnished such information to in turn furnish such information to any person or agency other than those specified in Section 11105 of the Penal Code.

SEC. 5. Section 5352.5 of the Welfare and Institutions Code is amended to read:

5352.5. Conservatorship proceedings may be initiated for any person committed to a state hospital or local mental health facility or placed on outpatient treatment pursuant to Section 1026 or 1370 of the Penal Code or transferred pursuant to Section 4011.6 of the Penal Code upon recommendation of the medical director of the state hospital, or his designee, or professional person in charge of the local mental health facility, or his designee, or the local mental health director, or his designee, to the conservatorship investigator of the county of residence of the person prior to his admission to the hospital or facility or of the county in which the hospital or facility is located. The initiation of conservatorship proceedings or the existence of a conservatorship shall not affect any pending criminal proceedings.

Subject to the provisions of Sections 5150 and 5250, conservatorship proceedings may be initiated for any person convicted of a felony who has been transferred to a state hospital under the jurisdiction of the Department of Health pursuant to Section 2684 of the Penal Code by the recommendation of the superintendent of the state hospital to the conservatorship investigator of the county of residence of the person or of the county in which the state hospital is located.

Subject to the provisions of Sections 5150 and 5250, conservatorship proceedings may be initiated for any person committed to the Youth

Authority, or on parole from a facility of the Youth Authority, by the Director of the Department of the Youth Authority or his designee, to the conservatorship investigator of the county of residence of such person or of the county in which such facility is situated.

The county mental health program providing conservatorship investigation services and conservatorship case management services for any such persons except those transferred pursuant to Section 4011.6 of the Penal Code shall be reimbursed for the expenditures made by it for such services pursuant to the Short-Doyle Act (commencing with Section 5600) at 100 percent of such expenditures. Each county Short-Doyle plan shall include provision for such services in the plan.

SEC. 5.5. Section 6316 of the Welfare and Institutions Code, as amended by Chapter 164 of the Statutes of 1977, is amended to read:

6316. If, after examination and hearing, the court finds that the person is a mentally disordered sex offender and that the person could benefit by treatment in a state hospital, or other mental health facility the court in its discretion has the alternative to return the person to the criminal court for further disposition, or may make an order committing the person to the department for placement in a state hospital, or may commit the person to the county mental health director for placement in an appropriate public or private mental health facility, approved by such director, and a copy of such commitment shall be personally served upon said person within five days after the making of such order. The court shall transmit a copy of its order to the county mental health director or his designee. Prior to making such order, the court shall order the county mental health director or his designee to evaluate the defendant and to submit to the court within 15 judicial days of such order his written recommendation as to whether the defendant should be committed to a state hospital or to another mental health facility. No person shall be admitted to a state hospital or other facility or accepted for outpatient treatment under this section without having been evaluated by the county mental health director or his or her designee.

If after examination and hearing, the court finds that the person is a mentally disordered sex offender but will not benefit by care or treatment in a state hospital or other facility the court shall then cause the person to be returned to the court in which the criminal charge was tried to await further action with reference to such criminal charge. Such court shall resume the proceedings and shall impose sentence or make such other suitable disposition of the case as the court deems necessary.

SEC. 6. Section 5402.1 of the Welfare and Institutions Code is amended to read:

5402.1. The Director of Health shall conduct a study in order to compare the relative cost of treatment, the duration of treatment, and the efficacy of treatment, including the effect of treatment on subsequent criminal behavior, between those patients committed to

state hospitals and those patients committed to other facilities or placed on outpatient treatment pursuant to Sections 1026, 1026.1, 1370, 1370.3 of the Penal Code and Section 6316 of the Welfare and Institutions Code. The director shall report his findings to the Legislature by July 1, 1979, and shall submit progress reports on January 15, 1978, and January 1, 1979. The Department of Justice shall furnish criminal offender record information to the director for the purposes of this study.

SEC. 7. Section 6325.1 of the Welfare and Institutions Code, as amended and renumbered by Chapter 164 of the Statutes of 1977, is amended and renumbered to read:

6325.1. If a mentally disordered sex offender is committed or transferred to a state hospital pursuant to this article, the committing court may, upon receiving the written recommendation of the superintendent of the state hospital and the county mental health director that the person be transferred to a public or private mental health facility approved by the county mental health director, order the person transferred to such facility. If the person is committed or transferred to a public or private mental health facility approved by the county mental health director, the committing court may, upon receiving the written recommendation of the county mental health director or his designee, transfer the person to a state hospital.

The defendant or prosecuting attorney, if he chooses to contest either kind of order of transfer, may petition the court for a hearing, which shall be held if the court determines that sufficient grounds exist. At such hearing, the prosecuting attorney or the defendant may present evidence bearing on the order of transfer. The court shall use the same standards used in conducting probation revocation hearings pursuant to Section 1203.2 of the Penal Code.

Prior to making an order for transfer under this section, the court shall notify the person, the prosecuting attorney, attorney of record for the person, and the county mental health director or his designee.

(a) If the superintendent of the state hospital or other facility to which the person is committed or transferred as a mentally disordered sex offender is of the opinion that a person has improved to such an extent that he is no longer a danger to the health and safety of others and will benefit from outpatient treatment, the superintendent may file with the committing court an announcement of intent to place the person on outpatient treatment. In those cases where the person has been found guilty of murder, assault with intent to commit murder, a violation of Section 207 or 209 of the Penal Code in which the victim suffers intentionally inflicted great bodily injury, a violation of subdivision 2 or 3 of Section 261 of the Penal Code, a violation of Section 220 of the Penal Code in which the victim suffers great bodily injury, or if the person has been found guilty of a felony involving death, great bodily injury, or an act which poses a serious threat of bodily harm to another person, the superintendent of the state hospital or other facility to which the person is committed shall not file a petition for outpatient treatment

until the person has been confined in the facility for a minimum of 90 days. Within 15 days after receipt of the announcement of intent, after notice to the prosecuting attorney and to the attorney of record for the person, the court shall, after a hearing in open court, approve or disapprove the announcement of intent. If the approval of the court is given, the person shall be treated as an outpatient. Prior to filing such an announcement of intent the superintendent shall obtain the agreement of the county mental health director or his designee, the person in charge of a mental health facility and the person who has been recommended for outpatient treatment that the person will receive and submit to outpatient treatment and that the person in charge of the facility will designate a person to be the outpatient supervisor of the person. At 90-day intervals following the beginning of outpatient treatment, the outpatient supervisor shall make a report in writing to the court, the state hospital or other facility to which the person was committed, the county mental health director or his designee, and to the person in charge of the mental health facility setting forth the status and progress of the person. The maximum period of such treatment, shall not exceed one year. The court may at the end of such maximum period renew its approval for additional outpatient treatment upon the recommendation of the medical director of the state hospital or other facility. If the court does not so renew its approval and the person has not been discharged from commitment, he shall be returned to the state hospital or other facility.

(b) When the outpatient supervisor is of the opinion that the person is no longer a mentally disordered sex offender, the supervisor shall communicate such opinion to the person in charge of the facility, and if the person in charge of the facility concurs, he shall certify the opinion to the committing court, prosecuting attorney, attorney of record for the person, the county mental health director or his designee, and the director of the state hospital or other facility. The court shall calendar the case for further proceedings pursuant to Section 6325.

(c) If at any time during an outpatient treatment period the outpatient supervisor is of the opinion that the person requires extended inpatient treatment or refuses to accept further outpatient treatment, he shall communicate such opinion or refusal to the person in charge of the facility. If the person in charge of the facility concurs, the person shall be returned to the state hospital or other facility to which he was committed or transferred pursuant to Section 6316. The person in charge of the facility shall notify the county mental health director or his designee of the person's return. Such return shall be reviewable by a writ of habeas corpus only. If a verified petition for a writ alleges on its face facts sufficient to justify relief, an order to show cause shall issue.

(d) If at any time during an outpatient treatment period the prosecuting attorney is of the opinion that the person is a danger to the health and safety of others while on outpatient treatment, he may

petition the court for a hearing to determine whether the person shall be continued on outpatient treatment. Upon receipt of the petition, the court shall calendar the case for further proceedings and the clerk shall notify the person, outpatient supervisor, attorney of record for the person, and the county mental health director or his designee of the calendared date. Upon failure of the person to appear as noticed, if a proper affidavit of service and advisement has been filed with the court, the court may issue a body attachment for such person. If, after a hearing in open court conducted with the same standards used in probation revocation hearings pursuant to Section 1203.2 of the Penal Code, the judge of the committing court determines that the person is a danger to the health and safety of others, he shall order the person returned to the state hospital or other facility to which he was committed or transferred pursuant to Section 6316.

The court shall transmit a copy of its order to the county mental health director or his designee. Such order shall be reviewable by a writ of habeas corpus only.

(e) An outpatient who requires inpatient treatment pending determination of his outpatient status pursuant to subdivisions (c) and (d) shall receive such treatment subject to the provisions of Sections 5150, 5200, 5250, and 5300.

The person in charge of the facility in which an outpatient receives inpatient treatment shall notify the county mental health director or his designee of inpatient treatment provided to an outpatient under this section.

SEC. 8. Section 6325.1 of the Welfare and Institutions Code, as added by Chapter 1101 of the Statutes of 1976, is amended and renumbered to read:

6325.2. When a person is returned to the committing court pursuant to Section 6325, either party may move for a new examination and hearing pursuant to Sections 6306 through 6318, inclusive, within five days of the person's arrival. The motion may be granted if the moving party shows by affidavit the existence of facts which establish that the opinion certified under subdivision (a) or (b) of Section 6325 was an abuse of discretion. Such hearing shall be set to commence within 30 days of the person's return to court. If the opinion certified was under subdivision (a) of Section 6325, and a new hearing is granted upon motion of the people, the person shall be entitled to be admitted to bail or release on his own recognizance in the manner provided by law for criminal cases. If, at the conclusion of a hearing pursuant to this section, the person is found to remain a mentally disordered sex offender who could benefit by treatment in the state hospital or other mental health facility, the court may direct that the previous order of commitment remain in full force and effect.

SEC. 9. Section 7375 of the Welfare and Institutions Code is amended to read:

7375. (a) A patient committed to a state hospital or other facility

under the provisions of Chapter 6 (commencing with Section 1367), Title 10, Part 2, of the Penal Code, shall, upon the certificate of the medical director of the hospital or facility that the person has recovered, approved by the superior judge of the county from which the patient was committed, be redelivered to the sheriff of such county, and dealt with in accordance with the provisions of Chapter 6 of the Penal Code. The sheriff shall immediately return the person to the court for further proceedings. Within two judicial days of the person's return, the court shall hold a hearing to determine whether the person is entitled to be admitted to bail or released on his own recognizance pending conclusion of the proceedings.

(b) A person committed to a state hospital or other facility under the provisions of Section 1026 of the Penal Code shall be released therefrom only upon determination that his sanity has been restored, as provided in Sections 1026 and 1026a of the Penal Code, except as otherwise expressly provided in subdivision (c) or (d) of this section.

(c) Whenever any such person has been confined in a state hospital or other facility for 90 days or more, after having been committed to a state hospital or other facility under the provisions of Section 1026 of the Penal Code in a criminal proceeding in which the offense alleged to have been committed by such person was punishable by a penalty other than death, and the medical director of the hospital or facility is of the opinion that the person has improved to such an extent that he is no longer a danger to the health and safety of others and that the person will receive benefit from parole, the medical director may certify said opinion to the committing court and to the county mental health director or his designee. Within 30 days after the receipt of the certification, after notice to the person, the prosecuting attorney, the attorney of record for the person, and the county mental health director or his designee, the court shall, after a hearing in open court, approve or disapprove such recommendation. The court shall transmit a copy of its order to the county mental health director or his designee. If the approval of the court is given, the medical director of the hospital or other facility may parole the person under such terms and conditions as the medical director specifies. The parole shall be on the same general terms and conditions as parole of the mentally disordered committed under the provisions of this code. If the court disapproves of such recommendation, no further recommendation for parole shall be made by the medical director until six months have elapsed from the date of the last preceding recommendations.

(d) Whenever any such person has been confined in a state hospital or other facility for three years or more, after having been committed to a state hospital or other facility under the provisions of Section 1026 of the Penal Code in a criminal proceeding in which the offense alleged to have been committed by such person was punishable by death, and the medical director of the hospital or facility is of the opinion that the person has improved to such an extent that he is no longer a danger to the health and safety of others

and that the person will receive benefit from parole, the medical director may certify said opinion to the committing court and to the county mental health director or his designee. Within 30 days after the receipt of the certification, after notice to the prosecuting attorney and the county mental health director or his designee, the court shall, after a hearing in open court, approve or disapprove such recommendation. The court shall transmit a copy of its order to the county mental health director or his designee. If the approval of the court is given, the medical director of the hospital or other facility may parole the person under such terms and conditions as the medical director specifies. The parole shall be on the same general terms and conditions as parole of the mentally disordered committed under the provisions of this code. If the court disapproves of such recommendation, no further recommendation for parole shall be made by the medical director until six months have elapsed from the date of the last preceding recommendation.

(e) If at any time during the period of parole under subdivisions (c) and (d) the supervisor of the paroled person is of the opinion that the person no longer meets the conditions of parole and needs extended inpatient treatment, or that the person refuses to accept parole supervision, he shall communicate this information to the medical director of the inpatient facility from which the person was paroled, or his designee. If the medical director or his designee concurs, the parole supervisor shall notify the paroled person, the committing court, the prosecuting attorney, and the attorney of record for the person of his intent to return the person to an inpatient facility. Such notice shall be in writing and shall state the reasons for the transfer. Within 15 judicial days after the notice has been served on the paroled person, the court shall set a hearing at which the court shall determine whether the transfer will be approved or disapproved. A paroled person who requires inpatient treatment pending the court's determination whether return to an inpatient facility shall be approved shall receive such treatment subject to the provisions of Sections 5150, 5200, 5250, and 5300. A person whose return from parole status to an inpatient facility is approved under this section shall not be released again on parole unless court approval is again obtained under subdivision (c) or (d).

(f) (1) If the medical director of the state hospital or other facility is of the opinion that a person who has been committed to the state hospital or other facility pursuant to Section 1026 of the Penal Code has improved to such an extent that he is no longer a danger to the health and safety of others while on outpatient treatment and will benefit from outpatient treatment, the medical director may allow the person to be treated as an outpatient.

An announcement of intent to place the person on outpatient status shall be filed with the court of commitment, the prosecuting attorney, and attorney of record for the person at least 15 days in advance of the change in status. The court may hold a hearing and (1) approve or disapprove of the plan or (2) take no action, in which

case the plan shall be deemed approved. The court shall transmit a copy of its order to the county mental health director or his designee. At the request of the prosecuting attorney, a hearing shall be held. Prior to filing such announcement of intent the medical director shall obtain the agreement of the county mental health director, the person in charge of a mental health facility and the person who has been recommended for outpatient treatment, that the person will receive and submit to outpatient treatment and that the person in charge of the facility will designate a person to be the outpatient supervisor of the person. At 90-day intervals following the beginning of outpatient treatment, the outpatient supervisor shall make a report in writing to the court, the state hospital or other facility to which the person was committed and to the person in charge of the mental health facility setting forth the status and progress of the person. The maximum period of such treatment shall not exceed one year. The court may at the end of such maximum period renew its approval for additional outpatient treatment upon the recommendation of the medical director of the state hospital or other facility. The court shall communicate such renewal to the county mental health director or his designee. If the court does not so renew its approval and the person has not been discharged from commitment, he shall be returned to the state hospital or other facility.

(2) When the outpatient supervisor is of the opinion that the person has regained his sanity, the supervisor shall communicate such opinion to the person in charge of the facility, and if the person in charge of the facility concurs, he shall certify the opinion to the person, the committing court, the prosecuting attorney, the attorney of record for the person, the county mental health director or his designee, and the director of the state hospital or other facility. The court shall calendar the case for further proceedings for release pursuant to Section 1026a of the Penal Code.

(3) If at any time during an outpatient treatment period the outpatient supervisor is of the opinion that the person refuses to accept outpatient treatment, or requires inpatient treatment, he shall communicate such opinion or refusal to the person in charge of the facility. If the person in charge of the facility concurs, the person shall be returned to the state hospital or other facility to which he was committed or transferred pursuant to Section 1026 of the Penal Code. The person in charge of the facility shall notify the county mental health director or his designee of the person's return. Such return shall be reviewable by a writ of habeas corpus only. If a verified petition for a writ alleges on its face facts sufficient to justify relief, an order to show cause shall issue.

(4) If at any time during an outpatient treatment period the prosecuting attorney is of the opinion that the person is a danger to the health and safety of others while on outpatient treatment, he may petition the court for a hearing to determine whether the person shall be continued on outpatient treatment. The court shall use the

same standards as used in conducting probation revocation hearings pursuant to Section 1203.2 of the Penal Code. Upon receipt of the petition, the court shall calendar the case for further proceedings and the clerk shall notify the person, outpatient supervisor, the county mental health director or his designee, and attorney of record for the person of the calendared date. Upon failure of the person to appear as noticed, if a proper affidavit of service and advisement has been filed with the court, the court may issue a body attachment for the person. If, after a hearing in open court, the judge of the committing court determines that the person is a danger to the health and safety of others, he shall order the person returned to the state hospital or other facility to which he was committed pursuant to Section 1026 of the Penal Code. The court shall transmit a copy of its order to the county mental health director or his designee. Such order shall be reviewable by a writ of habeas corpus only.

(5) An outpatient who requires inpatient treatment pending determination of his outpatient status pursuant to paragraphs (3) and (4) shall receive such treatment subject to the provisions of Sections 5150, 5200, 5250, and 5300 of the Welfare and Institutions Code. The person in charge of the facility in which an outpatient receives inpatient treatment shall notify the county mental health director or his designee of inpatient treatment provided to an outpatient under this section.

(g) A convict received into a state hospital under the provisions of Section 2684 of the Penal Code, shall, on recovery, be returned to prison in accordance with the provisions of Section 2685 of the Penal Code.

SEC. 10. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because the duties, obligations or responsibilities imposed on local governmental entities or school districts by this act are such that related costs are incurred as part of their normal operating procedures.

CHAPTER 692

An act to amend Section 5125 of the Civil Code, and to amend Section 7 of Chapter 1206 of the Statutes of 1974, relating to community property.

[Approved by Governor September 8, 1977 Filed with Secretary of State September 8, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 5125 of the Civil Code is amended to read:

5125. (a) Except as provided in subdivisions (b), (c), and (d) and Sections 5113.5 and 5128, either spouse has the management and control of the community personal property, whether acquired prior to or on or after January 1, 1975, with like absolute power of disposition, other than testamentary, as the spouse has of the separate estate of the spouse.

(b) A spouse may not make a gift of community personal property, or dispose of community personal property without a valuable consideration, without the written consent of the other spouse.

(c) A spouse may not sell, convey, or encumber the furniture, furnishings, or fittings of the home, or the clothing or wearing apparel of the other spouse or minor children which is community personal property, without the written consent of the other spouse.

(d) A spouse who is operating or managing a business or an interest in a business which is community personal property has the sole management and control of the business or interest.

(e) Each spouse shall act in good faith with respect to the other spouse in the management and control of the community property.

SEC. 2. Section 7 of Chapter 1206 of the Statutes of 1974 is amended to read:

Sec. 7. Section 2 of this act shall not be construed to alter or modify or to otherwise affect the legal effect of any act or transaction which occurred prior to January 1, 1975.

CHAPTER 693

An act to amend Section 62552 of the Food and Agricultural Code, relating to milk testing, and making an appropriation therefor.

[Approved by Governor September 8, 1977. Filed with Secretary of State September 8, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 62552 of the Food and Agricultural Code is amended to read:

62552. The director may allocate from the funds which are derived pursuant to Articles 7 (commencing with Section 61971) and 24 (commencing with Section 62521) of this chapter such sum for any fiscal year, not exceeding ninety-five thousand dollars ($95,000), which shall be used exclusively for the supervision and checking the correctness of the milk fat, milk solids not fat, and bacteriological tests and the weighing and sampling of all fluid milk which is delivered to distributors in accordance with the stabilization and marketing plans which are established pursuant to the provisions of this division.

CHAPTER 694

An act to amend Section 13694 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor September 8, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 13694 of the Revenue and Taxation Code is amended to read:

13694. (a) Except as otherwise provided in this article, a gift of a general or limited power of appointment made in conjunction with a disposition of property otherwise subject to this part effected before or after 5 p.m. of June 25, 1935, is a transfer subject to this part from the donor to the donee at the date of the donor's death.

(b) A transfer in trust wherein the trustee, under the terms of the trust, is granted a power limited to making discretionary payments of principal or income to or for the benefit of a trust beneficiary (or beneficiaries) other than the trustee, is a transfer to the trust beneficiary (or beneficiaries) within the meaning of Section 13306 and is not a power of appointment within the meaning of this section, even though the discretion of the trustee is absolute and includes the power to terminate the trust.

SEC. 2. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 695

An act to amend Sections 1367, 1369, 1370, and 1375.5 of, to repeal Section 1370.1 of, and to add Section 1370.1 to, the Penal Code, and to amend Section 6500.1 of the Welfare and Institutions Code, relating to developmentally disabled criminal defendants.

[Approved by Governor September 8, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 1367 of the Penal Code is amended to read:

1367. A person cannot be tried or adjudged to punishment while he is mentally incompetent. A defendant is mentally incompetent for purposes of this chapter if, as a result of mental disorder or developmental disability, he is unable to understand the nature of the proceedings taken against him and to assist counsel in the conduct of a defense in a rational manner.

Section 1370 shall apply to a person who is incompetent as a result of a mental disorder. Section 1370.1 shall apply to a person who is

incompetent as a result of a developmental disability and shall apply to a person who is incompetent as a result of a mental disorder, but is also developmentally disabled.

SEC. 2. Section 1369 of the Penal Code is amended to read:

1369. A trial by court or jury of the question of mental competence shall proceed in the following order:

(a) The court shall appoint a psychiatrist or licensed psychologist, and any other expert the court may deem appropriate, to examine the defendant. In any case where the defendant or his counsel informs the court that the defendant is not seeking a finding of mental incompetence, the court shall appoint two psychiatrists, licensed psychologists, or a combination thereof. One of the psychiatrists or licensed psychologists may be named by the defense and one may be named by the prosecution. If it is suspected the defendant is developmentally disabled, the court shall appoint the director of the regional center for the developmentally disabled established under Division 25 (commencing with Section 38000) of the Health and Safety Code, or the designee of the director, to examine the defendant. The court may order the developmentally disabled defendant to be confined for examination in a state hospital or any other residential facility designated by the director of the regional center.

(b) (1) The counsel for the defendant shall offer evidence in support of the allegation of mental incompetence.

(2) If the defense declines to offer any evidence in support of the allegation of mental incompetence, the prosecution may do so.

(c) The prosecution shall present its case regarding the issue of defendant's present mental competence.

(d) Each party may offer rebutting testimony, unless the court, for good reason in furtherance of justice, also permits other evidence in support of the original contention.

(e) When the evidence is concluded, unless the case is submitted without final argument, the prosecution shall make its final argument and the defense shall conclude with its final argument to the court or jury.

(f) In a jury trial, the court shall charge the jury, instructing them on all matters of law necessary for the rendering of a verdict. It shall be presumed that the defendant is mentally competent unless it is proved by a preponderance of the evidence that he is mentally incompetent. The verdict of the jury shall be unanimous.

SEC. 3. Section 1370 of the Penal Code is amended to read:

1370. (a) If the defendant is found mentally competent, the criminal process shall resume, the trial on the offense charged shall proceed, and judgment may be pronounced. If the defendant is found mentally incompetent, the trial or judgment shall be suspended until he becomes mentally competent, and the court shall order that (1) in the meantime, the defendant be delivered by the sheriff to a state hospital for the care and treatment of the mentally disordered or to any other available public or private mental health

treatment facility approved by the county mental health director as will promote the defendant's speedy restoration of mental competence, or be ordered to undergo outpatient treatment as specified in Section 1370.3 and (2) upon his becoming competent, he be redelivered to the sheriff to be returned to court where the criminal process shall resume. The court shall transmit a copy of its order to the county mental health director or his designee.

If the defendant has been charged with murder, mayhem, a violation of Section 207 or 209 in which the victim suffers intentionally inflicted great bodily injury, robbery in the first degree or in which the victim suffers great bodily injury, a violation of Section 447a involving a trailer coach, as defined in Section 635 of the Vehicle Code, or any dwelling house, a violation of subdivision (2) and (3) of Section 261, a violation of Section 459 in the first degree, assault with intent to commit murder, a violation of Section 220 in which the victim suffers great bodily injury, a violation of Section 12303.1, 12303.3, 12308, 12309, or 12310, or if the defendant has been charged with a felony involving death, great bodily injury, or an act which poses a serious threat of bodily harm to another person, the court shall direct that the defendant be confined in a state hospital or other public or private mental health facility approved by the county mental health director for a minimum of 90 days before such defendant may be released on outpatient treatment pursuant to Section 1374. Prior to release on outpatient treatment, such defendant shall be returned to court for a hearing to determine whether the defendant is entitled to be admitted to bail or released upon his own recognizance.

Prior to making such order, the court shall order the county mental health director or his designee to evaluate the defendant and to submit to the court within 15 judicial days of such order his written recommendation as to whether the defendant should be required to undergo outpatient treatment, or committed to a state hospital or to any other mental health facility.

If the defendant is committed or transferred to a state hospital pursuant to this section, the court may, upon receiving the written recommendation of the superintendent of the state hospital and the county mental health director that the defendant be transferred to a public or private mental health facility approved by the county mental health director, order the defendant transferred to such facility. If the defendant is committed or transferred to a public or private mental health facility approved by the county mental health director, the court may, upon receiving the written recommendation of the county mental health director, transfer the defendant to a state hospital or to another public or private mental health facility approved by the county mental health director. In the event of dismissal of the criminal charges before the defendant recovers competence, the person shall be subject to the applicable provisions of the Lanterman-Petris-Short Act (Part 1 (commencing with Section 5000) of Division 5 of the Welfare and Institutions

Code). The defendant or prosecuting attorney, if he chooses to contest either kind of order of transfer, may petition the court for a hearing, which shall be held if the court determines that sufficient grounds exist. At such hearing the prosecuting attorney or the defendant may present evidence bearing on the order of transfer. The court shall use the same standards as used in conducting probation revocation hearings pursuant to Section 1203.2.

Prior to making an order for transfer under this section, the court shall notify the defendant, the attorney of record for the defendant, the prosecuting attorney, and the county mental health director or his designee.

(b) (1) Within 90 days of a commitment made pursuant to subdivision (a), the superintendent of the state hospital or other facility to which the defendant is committed or from which the defendant is placed on outpatient treatment shall make a written report to the court and the county mental health director or his designee concerning the defendant's progress toward recovery of his mental competence. If the defendant has not recovered his mental competence, but the report discloses a substantial likelihood the defendant will regain his mental competence in the foreseeable future, he shall remain in the state hospital or other facility or on outpatient treatment. Thereafter, at six-month intervals or until the defendant becomes mentally competent, the superintendent of the hospital or person in charge of the facility shall report to the court and the county mental health director or his designee regarding the defendant's progress toward recovery of his mental competence. If the report indicates that there is no substantial likelihood that the defendant will regain his mental competence in the foreseeable future, the committing court shall order him to be returned to the court for proceedings pursuant to paragraph (2) of subdivision (c). The court shall transmit a copy of its order to the county mental health director or his designee.

(2) If, after the defendant has been committed or has undergone outpatient treatment for 18 months, he is still hospitalized or on outpatient treatment pursuant to this section, he shall be returned to the committing court where a hearing shall be held pursuant to the procedures set forth in Section 1369. The court shall transmit a copy of its order to the county mental health director or his designee.

(3) If it is determined by the court that no treatment for the defendant's mental impairment is being conducted, the defendant shall be returned to the committing court.

(4) The superintendent or person in charge of the facility shall deliver the reports made pursuant to paragraph (1) to the committing court and to the county mental health director or his designee, which shall provide a copy thereof to the defendant, his attorney of record, and any other interested person specified by the defendant.

(c) (1) If, at the end of three years from the date of commitment or a period of commitment equal to the maximum term of

imprisonment provided by law for the most serious offense charged in the information, indictment, or misdemeanor complaint, whichever is shorter, the defendant has not recovered his mental competence, he shall be returned to the committing court. The court shall notify the county mental health director or his designee of such return and of any resulting court orders.

(2) Whenever any defendant is returned to the court pursuant to paragraph (2) of subdivision (b) or paragraph (1) of subdivision (c) and it appears to the court that the defendant is gravely disabled as defined in paragraph (2) of subdivision (h) of Section 5008 of the Welfare and Institutions Code, the court shall order the conservatorship investigator of the county of commitment of the defendant to initiate conservatorship proceedings for such defendant pursuant to Chapter 3 (commencing with Section 5350) of Part 1 of Division 5 of the Welfare and Institutions Code. Any hearings required in the conservatorship proceedings shall be held in the superior court in the county which ordered the commitment. The court shall transmit a copy of the order directing initiation of conservatorship proceedings to the county mental health director or his designee.

(d) The criminal action remains subject to dismissal pursuant to Section 1385.

(e) If the criminal charge against the defendant is dismissed, the defendant shall be released from any commitment ordered under this section, but without prejudice to the initiation of any proceedings under the Lanterman-Petris-Short Act, Part 1 (commencing with Section 5000) of Division 5 of the Welfare and Institutions Code.

SEC. 4. Section 1370.1 of the Penal Code is repealed.

SEC. 5. Section 1370.1 is added to the Penal Code, to read:

1370.1. (a) If the defendant is found mentally competent, the criminal process shall resume, the trial on the offense charged shall proceed, and judgment may be pronounced. If the defendant is found mentally incompetent and is developmentally disabled, the trial or judgment shall be suspended until he becomes mentally competent, and the court shall order that (1) in the meantime, the defendant be delivered by the sheriff or other person designated by the court to a state hospital for the care and treatment of the developmentally disabled or any other available residential facility approved by the director of a regional center for the developmentally disabled established under Division 25 (commencing with Section 38000) of the Health and Safety Code as will promote the defendant's speedy restoration of mental competence, or be ordered to undergo outpatient treatment as specified in Section 1370.3 and (2) upon his becoming competent, he be redelivered to the sheriff or other person designated by the court to be returned to court where the criminal process shall resume. The court shall transmit a copy of its order to the regional center director or his designee.

As used in this section, "developmental disability" means a disability which continues, or can be expected to continue, indefinitely and constitutes a substantial handicap for such individual. As defined by the Director of Health, this term shall include mental retardation, cerebral palsy, epilepsy, and autism. This term shall also include handicapping conditions found to be closely related to mental retardation or to require treatment similar to that required for mentally retarded individuals, but shall not include other handicapping conditions that are solely physical in nature.

If the defendant has been charged with murder, mayhem, a violation of Section 207 or 209 in which the victim suffers intentionally inflicted great bodily injury, robbery perpetrated by torture or by a person armed with a dangerous or deadly weapon or in which the victim suffers great bodily injury, a violation of Section 211a, a violation of Section 447a involving a trailer coach, as defined in Section 635 of the Vehicle Code, or any dwelling house, a violation of subdivision (2) or (3) of Section 261, a violation of Section 459 in the first degree, assault with intent to commit murder, a violation of Section 220 in which the victim suffers great bodily injury, a violation of Section 12303.1, 12303.3, 12308, 12309, or 12310, or if the defendant has been charged with a felony involving death, great bodily injury, or an act which poses a serious threat of bodily harm to another person, the court shall direct that the defendant be confined for evaluation and treatment in a state hospital or other residential facility approved by the regional center director for a minimum of 90 days before such defendant may be released on outpatient treatment pursuant to Section 1374. Prior to release on outpatient treatment, such defendant shall be returned to court for a hearing to determine whether the defendant is entitled to be admitted to bail or released upon his own recognizance.

Prior to making such order, the court shall order the regional center director or his designee to evaluate the defendant and to submit to the court within 15 judicial days of such order his written recommendation as to whether the defendant should be required to undergo outpatient treatment, or committed to a state hospital or to any other available residential facility approved by the regional center director.

If the defendant is committed or transferred to a state hospital pursuant to this section, the court may, upon receiving the written recommendation of the superintendent of the state hospital and the regional center director that the defendant be transferred to a residential facility approved by the regional center director, order the defendant transferred to such facility. If the defendant is committed or transferred to a residential facility approved by the regional center director, the court may, upon receiving the written recommendation of the regional center director, transfer the defendant to a state hospital or to another residential facility approved by the regional center director.

In the event of dismissal of the criminal charges before the

defendant recovers competence, the person shall be subject to the applicable provisions of the Lanterman-Petris-Short Act (Part 1 (commencing with Section 5000) of Division 5 of the Welfare and Institutions Code) or to commitment or detention pursuant to a petition filed pursuant to Section 6502 of the Welfare and Institutions Code.

The defendant or prosecuting attorney, if he chooses to contest either kind of order of transfer, may petition the court for a hearing, which shall be held if the court determines that sufficient grounds exist. At such hearing the prosecuting attorney or the defendant may present evidence bearing on the order of transfer. The court shall use the same standards as used in conducting probation revocation hearings pursuant to Section 1203.2.

Prior to making an order for transfer under this section, the court shall notify the defendant, the attorney of record for the defendant, the prosecuting attorney, and the regional center director or his designee.

(b) (1) Within 90 days of a commitment made pursuant to subdivision (a), the superintendent of the state hospital or other facility to which the defendant is committed or from which the defendant is placed on outpatient treatment shall make a written report to the regional center director or his designee concerning the defendant's progress toward recovery of his mental competence which the regional center director or his designee shall immediately transmit to the court as part of the defendant's progress report. If the defendant has not recovered his mental competence, but the report discloses a substantial likelihood the defendant will regain his mental competence in the foreseeable future, he shall remain in the state hospital or other facility or on outpatient treatment. Thereafter, at six-month intervals or until the defendant becomes mentally competent, the superintendent of the hospital or person in charge of the facility shall report to the regional center director or his designee regarding the defendant's progress toward recovery of his mental competence which the regional center director or his designee shall immediately transmit to the court as part of the defendant's progress report. If the report indicates that there is no substantial likelihood that the defendant will regain his mental competence in the foreseeable future, the committing court shall order him to be returned to the court for proceedings pursuant to paragraph (2) of subdivision (c). The court shall transmit a copy of its order to the regional center director or his designee.

(2) If, after the defendant has been committed or has undergone outpatient treatment for 18 months, he is still hospitalized or on outpatient treatment pursuant to this section, he shall be returned to the committing court where a hearing shall be held pursuant to the procedures set forth in Section 1369. The court shall transmit a copy of its order to the regional center director or his designee.

(3) If it is determined by the court that no treatment for the defendant's mental impairment is being conducted, the defendant

shall be returned to the committing court.

(4) The regional center director or his designee shall deliver the reports made pursuant to paragraph (1) to the committing court and shall provide a copy thereof to the defendant, his attorney of record, and any other interested person specified by the defendant.

(c) (1) If, at the end of three years from the date of commitment or a period of commitment equal to the maximum term of imprisonment provided by law for the most serious offense charged in the information, indictment, or misdemeanor complaint, whichever is shorter, the defendant has not recovered his mental competence, he shall be returned to the committing court. The court shall notify the regional center director or his designee of such return and of any resulting court orders.

(2) If it is found that the person is not subject to commitment or detention pursuant to the applicable provision of the Lanterman-Petris-Short Act (Part 1 (commencing with Section 5000) of Division 5 of the Welfare and Institutions Code) or to commitment or detention pursuant to a petition filed pursuant to Section 6502 of the Welfare and Institutions Code, the individual shall not be subject to further confinement pursuant to this article and the criminal action remains subject to dismissal pursuant to Section 1385.

(d) Notwithstanding any other provision of this section, the criminal action remains subject to dismissal pursuant to Section 1385. If at any time prior to the maximum period of time allowed for proceedings under this article, the regional center director concludes that the behavior of the defendant related to the defendant's criminal offense has been eliminated during time spent in court-ordered programs, the court may, upon recommendation of the regional center director, dismiss the criminal charges.

SEC. 6. Section 1375.5 of the Penal Code is amended to read:

1375.5. Time spent by a defendant in a hospital or other facility as a result of a commitment therein as a mentally incompetent pursuant to this chapter shall be credited on the term of any imprisonment, if any, for which the defendant is sentenced in the criminal case which was suspended pursuant to Section 1370 or 1370.1.

As used in this section, "time spent in a hospital or other facility" includes days a defendant is treated as an outpatient pursuant to Section 1374.

SEC. 7. Section 6500.1 of the Welfare and Institutions Code is amended to read:

6500.1. On and after July 1, 1971, no mentally retarded person may be committed to the State Department of Health pursuant to this article, unless he is a danger to himself or others. For the purposes of this article, dangerousness to self or others shall be considered to include, but not be limited to, a finding of incompetence to stand trial pursuant to the provisions of Chapter 6 (commencing with Section 1367) of Title 10 of Part 2 of the Penal

Code when the defendant has been charged with murder, mayhem, a violation of Section 207 or 209 of the Penal Code in which the victim suffers intentionally inflicted great bodily injury, robbery perpetrated by torture or by a person armed with a dangerous or deadly weapon or in which the victim suffers great bodily injury, a violation of Section 447a of the Penal Code involving a trailer coach, as defined in Section 635 of the Vehicle Code, or any dwelling house, a violation of subdivision (2) or (3) of Section 261 of the Penal Code, a violation of Section 459 of the Penal Code in the first degree, assault with intent to commit murder, a violation of Section 220 of the Penal Code in which the victim suffers great bodily injury, a violation of Section 12303.1, 12303.3, 12308, 12309, or 12310 of the Penal Code, or if the defendant has been charged with a felony involving death, great bodily injury, or an act which poses a serious threat of bodily harm to another person.

Any order of commitment made pursuant to this article shall expire automatically one year after the order of commitment is made. This section shall not be construed to prohibit any party enumerated in Section 6502 from filing subsequent petitions for additional periods of commitment. In the event such subsequent petitions are filed, the procedures followed shall be the same as with an initial petition for commitment.

In any proceedings conducted under the authority of this article the alleged mentally retarded person shall be informed of his right to counsel by the court; and if he does not have an attorney for the proceedings the court shall immediately appoint the public defender or other attorney to represent him. The person shall pay the cost for such legal service if he is able.

CHAPTER 696

An act to amend Sections 33251, 33252, 33257, 33262, and 33264 of, to add Section 33295 to, and to repeal Sections 33254 and 33260 of, the Food and Agricultural Code, relating to milk.

[Approved by Governor September 8, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 33251 of the Food and Agricultural Code is amended to read:

33251. The city or county, or group of either or both, which maintains an approved milk inspection service where an inspection fee is levied and collected shall determine the actual cost of making an inspection of a dairy farm which produces market milk, or a milk products plant which processes or handles market milk and related products, or both such farm and plant, within the area which is

designated and assigned to such service by the director. Records of such cost determination shall be made and maintained by the city or county, or group of either or both, for examination by the director or other interested person.

SEC. 2. Section 33252 of the Food and Agricultural Code is amended to read:

33252. For the purpose of maintaining an approved milk inspection service, the city or county, or group of either or both, may, but is not required to, levy and collect an inspection fee or fees from producers of market milk which is produced at dairy farms, or from distributors of market milk which is processed and handled at milk products plants, or from both producers and distributors, within the area which is designated and assigned to such service by the director.

SEC. 3. Section 33254 of the Food and Agricultural Code is repealed.

SEC. 4. Section 33257 of the Food and Agricultural Code is amended to read:

33257. If an approved milk inspection service inspects a dairy farm the dairy farm inspection fee, if levied, shall be collected from the producer of market milk which is produced on the dairy farm.

SEC. 5. Section 33260 of the Food and Agricultural Code is repealed.

SEC. 6. Section 33262 of the Food and Agricultural Code is amended to read:

33262. Any producer or distributor may file with the director a written protest as to the reasonableness of any inspection fee which is levied and collected from the producer or distributor pursuant to Section 33252.

SEC. 7. Section 33264 of the Food and Agricultural Code is amended to read:

33264. Upon the completion of hearing, the director may establish a reasonable fee for the inspection which is the subject of the protest. Thereafter until such order of the director is revoked, suspended, or amended, such producer or distributor, notwithstanding any other provision of this article, is not required to pay to the approved milk inspection service any inspection fee in excess of the fee which is designated as reasonable by the director. The director shall make, and maintain, written findings upon which inspection fees are established pursuant to this section. Such written findings shall be readily available to any interested person for examination.

SEC. 8. Section 33295 is added to the Food and Agricultural Code, to read:

33295. The director shall make, and maintain, written findings upon which inspection fees are fixed pursuant to Section 33294. Such written findings shall be readily available to any interested person for examination.

SEC. 9. No appropriation is made by this act, nor is any obligation created thereby under Section 2231 of the Revenue and Taxation Code, for the reimbursement of any local agency for any costs that

may be incurred by it in carrying on any program or performing any service required to be carried on or performed by it by this act.

CHAPTER 697

An act to amend Sections 5604 and 5605 of the Business and Professions Code, relating to architecture, and making an appropriation therefor.

[Approved by Governor September 8, 1977 Filed with Secretary of State September 8, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 5604 of the Business and Professions Code is amended to read:

5604. The fees prescribed by this chapter for architect applicants or architect certificate holders shall be fixed by the board as follows:

(a) The application fee for any section of the examination at not to exceed fifty dollars ($50), provided that, in the event the National Council of Architectural Boards' examination is used by the board, the application fee for any section of such examination shall not exceed the board's actual cost for obtaining and administrating such section of such examination to a maximum of fifty dollars ($50).

(b) The fee for an original certificate at an amount equal to the biennial renewal fee in effect on the last regular biennial renewal date before the date on which such certificate is issued, except that, if such certificate is issued less than one year before the date on which it will expire, then the fee shall be fixed at an amount equal to 50 percent of the biennial renewal fee in effect on the last regular biennial renewal date before the date on which such certificate is issued. The board may, by appropriate regulation, provide for the waiver or refund of the fee for an original certificate where such certificate is issued less than 45 days before the date on which it will expire.

(c) The fee for an application for reciprocity at not to exceed one hundred dollars ($100).

(d) The fee for a duplicate certificate at not to exceed fifteen dollars ($15).

(e) The biennial renewal fee at not to exceed one hundred dollars ($100).

(f) The delinquency fee at 50 percent of the biennial renewal fee, but not more than twenty-five dollars ($25).

SEC. 2. Section 5605 of the Business and Professions Code is amended to read:

5605. The fees prescribed by this chapter for registration of building designers shall be fixed by the board as follows:

(a) The biennial renewal fee for registration to practice building

design shall be fixed by the board at not to exceed one hundred dollars ($100).

(b) The delinquency fee shall be fixed by the board at 50 percent of the biennial renewal fee, but not more than twenty-five dollars ($25).

(c) All registrations of building designers expire at 12 p.m., August 31, of each odd-numbered year. All registrations shall be renewed prior to the expiration date.

(d) The fee for a duplicate registration at not to exceed fifteen dollars ($15).

CHAPTER 698

An act to add Section 14104 to, and to amend Section 14133 of, the Welfare and Institutions Code, relating to Medi-Cal.

[Approved by Governor September 8, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 14104 is added to the Welfare and Institutions Code, to read:

14104. (a) The department may, to the extent feasible, and to the extent permitted or required by applicable provisions of federal law, enter into agreements with organizations of licensed professional persons known as Professional Standards Review Organizations, as the same are defined in, and authorized by, federal law, for the review of inpatient and other health services provided to beneficiaries in accordance with the provisions of this part, to determine whether such services may be approved for payment.

(b) Where such agreements are entered, the department may also enter into agreements for review of services provided to beneficiaries whose health care is funded solely from state or local sources without federal participation under Title XIX of the Social Security Act.

(c) Agreements entered into under this section shall be awarded on a nonbid basis.

SEC. 2. Section 14133 of the Welfare and Institutions Code is amended to read:

14133. Utilization controls that may be applied to the services set forth in Section 14132 which are subject to utilization controls shall be limited to:

(a) Prior authorization, which is approval by a State Department of Health consultant, of a specified service in advance of the rendering of that service based upon a determination of medical necessity. Prior authorization includes authorization for multiple services which are requested and granted on the basis of an extended

treatment plan where there is a need for continuity in the treatment of a chronic or extended condition.

(b) Postservice prepayment audit, which is review for medical necessity and program coverage after service was rendered but before payment is made. Payment may be withheld or reduced if the service rendered was not a covered benefit, deemed medically unnecessary or inappropriate. Nothing in this subdivision shall supersede the claims processing deadlines provided by Section 14104.3.

(c) Postservice postpayment audit, which is review for medical necessity and program coverage after service was rendered and the claim paid. The department may take appropriate steps to recover payments made if subsequent investigation uncovers evidence that the claim should not have been paid.

(d) Limitation on number of services, which means certain services may be restricted as to number within a specified time frame.

(e) Review of services pursuant to Professional Standards Review Organization agreements entered into in accordance with Section 14104.

CHAPTER 699

An act to mend Section 44066 of, and to add Section 87402 to, the Education Code, and to amend Section 1420 of the Labor Code, relating to school employees.

[Approved by Governor September 8, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 44066 of the Education Code is amended to read:

44066. A governing board of any school district or a county board of education or a county superintendent of schools or other appointing authority shall not require an employee or applicant to possess any certification, license, or other credential unless the possession of such a certification, license, or other credential is required by statute or is based upon a bona fide occupational qualification.

It is the intent of the Legislature that any person who had served in a position for which certification, license, or other credential not necessitated by statute or bona fide occupational qualification, had been required, and in a position which was designated by the governing board as a position requiring certification qualifications, shall be deemed to be an employee in a position requiring certification qualifications for as long as he or she holds such position

and it is further the intent of the Legislature that such position shall be deemed to be a certificated position for as long as such person holds such position.

SEC. 2. Section 87402 is added to the Education Code, to read:

87402. A governing board may not require an employee or applicant to possess any certification, license, or other credential unless the possession of such a certification, license, or other credential is required by statute or is based upon a bona fide occupational qualification.

It is the intent of the Legislature that any person who had served in a position for which certification, license, or other credential not necessitated by statute or bona fide occupational qualification, had been required, and in a position which was designated by the governing board as a position requiring certification qualifications, shall be deemed to be an employee in a position requiring certification qualifications for as long as he holds such position and it is further the intent of the Legislature that such position shall be deemed to be a certificated position for as long as such person holds such position.

SEC. 3. Section 1420 of the Labor Code is amended to read:

1420. It shall be an unlawful employment practice, unless based upon a bona fide occupational qualification, or, except where based upon applicable security regulations established by the United States or the State of California:

(a) For an employer, because of the race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, or sex of any person, to refuse to hire or employ him or to refuse to select him for a training program leading to employment, or to bar or to discharge such person from employment or from a training program leading to employment, or to discriminate against such person in compensation or in terms, conditions or privileges of employment.

(1) Nothing in this part shall prohibit an employer from refusing to hire or discharging a physically handicapped employee, or subject an employer to any legal liability resulting from the refusal to employ or the discharge of a physically handicapped employee, where the employee, because of his physical handicap, is unable to perform his duties, or he cannot perform such duties in a manner which would not endanger his health or safety or the health and safety of others.

(2) Nothing in this part shall prohibit an employer from refusing to hire or discharging an employee who, because of his medical condition, is unable to perform his duties, or cannot perform such duties in a manner which would not endanger his health or safety or the health or safety of others. Nothing in this part shall subject an employer to any legal liability resulting from the refusal to employ or the discharge of an employee who, because of his medical condition, is unable to perform his duties, or cannot perform such duties in a manner which would not endanger his health or safety or the health or safety of others.

(3) Nothing in this part relating to discrimination on account of marital status shall either (i) affect the right of an employer to reasonably regulate, for reasons of supervision, safety, security, or morale, the working of spouses in the same department, division, or facility, consistent with the rules and regulations adopted by the commission, or (ii) prohibit bona fide health plans from providing additional or greater benefits to employees with dependents than to those employees without or with fewer dependents.

(b) For a labor organization, because of the race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, or sex of any person, to exclude, expel or restrict from its membership such person, or to provide only second-class or segregated membership or to discriminate against any person because of the race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, or sex of such person in the election of officers of the labor organization or in the selection of the labor organization's staff or to discriminate in any way against any of its members or against any employer or against any person employed by an employer.

(c) For any person to discriminate against any person in the selection or training of that person in any apprenticeship training program or any other training program leading to employment because of the race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, or sex of the person discriminated against.

(d) For any employer or employment agency, unless specifically acting in accordance with federal equal employment opportunity guidelines and regulations approved by the commission, to print or circulate or cause to be printed or circulated any publication, or to make any non-job-related inquiry, either verbal or through use of an application form, which expresses, directly or indirectly, any limitation, specification, or discrimination as to race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, or sex, or any intent to make any such limitation, specification or discrimination. Nothing in this subdivision shall prohibit any employer from making, in connection with prospective employment, an inquiry as to, or a request for information regarding, the physical fitness or medical condition of applicants if that inquiry or request for information is directly related and pertinent to the position the applicant is applying for.

(e) For any employer, labor organization or employment agency to discharge, expel or otherwise discriminate against any person because he has opposed any practices forbidden under this act or because he has filed a complaint, testified or assisted in any proceeding under this part.

(f) For any person to aid, abet, incite, compel, or coerce the doing of any of the acts forbidden under this part, or to attempt to do so.

(g) For the governing board of a school district to violate Section 44066 or 87402 of the Education Code.

CHAPTER 700

An act to amend Section 54.1 of the Civil Code and to amend Section 451 of the Public Utilities Code, relating to telecommunication facilities for deaf persons.

[Approved by Governor September 8, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 54.1 of the Civil Code is amended to read:

54.1. (a) Blind persons, visually handicapped persons, deaf persons, and other physically disabled persons shall be entitled to full and equal access, as other members of the general public, to accommodations, advantages, facilities, and privileges of all common carriers, airplanes, motor vehicles, railroad trains, motorbuses, streetcars, boats or any other public conveyances or modes of transportation, telephone facilities, hotels, lodging places, places of public accommodation, amusement or resort, and other places to which the general public is invited, subject only to the conditions and limitations established by law, or state or federal regulation, and applicable alike to all persons.

As used in this section, "telephone facilities" means tariff items and other equipment and services which have been approved by the Public Utilities Commission to be used by physically disabled persons in a manner feasible and compatible with the existing telephone network provided by the telephone companies.

(b) (1) Blind persons, visually handicapped persons, deaf persons, and other physically disabled persons shall be entitled to full and equal access, as other members of the general public, to all housing accommodations offered for rent, lease, or compensation in this state, subject to the conditions and limitations established by law, or state or federal regulation, and applicable alike to all persons.

(2) "Housing accommodations" means any real property, or portion thereof, which is used or occupied, or is intended, arranged, or designed to be used or occupied, as the home, residence, or sleeping place of one or more human beings, but shall not include any accommodations included within subdivision (a) or any single-family residence the occupants of which rent, lease, or furnish for compensation not more than one room therein.

(3) Nothing in this subdivision shall require any person renting, leasing or providing for compensation real property to modify his property in any way or provide a higher degree of care for a blind person, visually handicapped person, deaf persons, or other physically disabled person than for a person who is not physically disabled.

(4) Except as provided in paragraph (5) of this subdivision, nothing in this part shall require any person renting, leasing, or

providing for compensation real property, if such person refuses to accept tenants who have dogs, to accept as a tenant a physically disabled person who has a dog.

(5) It shall be deemed a denial of equal access to housing accommodations within the meaning of this subdivision for any person, firm, or corporation to refuse to lease or rent housing accommodations to a blind person or visually handicapped person on the basis that such person uses the services of a dog guide, or to a deaf person on the basis that such person uses the services of a dog to signal the presence of intruders or unusual noises, or to refuse to permit such a blind person or visually handicapped person to keep a guide dog, or a deaf person to keep a signal dog, on the premises.

Except in the normal performance of duty as a mobility aid, nothing contained in this paragraph shall be construed to prevent the owner of a housing accommodation from establishing such terms in a lease or rental agreement which reasonably regulates the presence of guide dogs on the premises of a housing accommodation, nor shall this paragraph be construed to relieve a tenant from any liability otherwise imposed by law for real and personal property damages caused by a guide dog when proof of same exists.

As used in this subdivision, "guide dog" means any guide dog or seeing-eye dog which was trained by a person licensed under the provisions of Chapter 9.5 (commencing with Section 7200) of Division 3 of the Business and Professions Code.

(6) It shall be deemed a denial of equal access to housing accommodations within the meaning of this subdivision for any person, firm, or corporation to refuse to lease or rent housing accommodations to a blind person, visually handicapped person, deaf person, or other physically disabled person on the basis that such physically disabled person is partially or wholly dependent upon the income of his spouse, if the spouse is a party to the lease or rental agreement. Nothing in this subdivision shall, however, prohibit a lessor or landlord from considering the aggregate financial status of a physically disabled person and his spouse.

(c) Persons licensed to train guide dogs for the blind pursuant to Chapter 9.5 (commencing with Section 7200) of Division 3 of the Business and Professions Code, may take dogs, for the purpose of training them as guide dogs, in any of the places specified in paragraphs (a) and (b), above. Such persons shall carry and display, upon request, identification in such form as shall be prescribed by the State Board of Guide Dogs for the Blind.

SEC. 2. Section 451 of the Public Utilities Code is amended to read:

451. All charges demanded or received by any public utility, or by any two or more public utilities, for any product or commodity furnished or to be furnished or any service rendered or to be rendered shall be just and reasonable. Every unjust or unreasonable charge demanded or received for such product or commodity or service is unlawful.

Every public utility shall furnish and maintain such adequate,

efficient, just, and reasonable service, instrumentalities, equipment, and facilities, including telephone facilities, as defined in Section 54.1 of the Civil Code, as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public.

All rules made by a public utility affecting or pertaining to its charges or service to the public shall be just and reasonable.

CHAPTER 701

An act to add Sections 4015.5, 5014.5, and 5157.5 to the Elections Code, relating to elections.

[Approved by Governor September 8, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 4015.5 is added to the Elections Code, to read:

4015.5. (a) If the legislative body submits an argument against the ordinance, it shall immediately send copies of the argument to the persons filing the initiative petition. The persons filing the initiative petition may prepare and submit a rebuttal argument not exceeding 250 words. The legislative body may prepare and submit a rebuttal to the argument in favor of the ordinance not exceeding 250 words. The rebuttal arguments shall be filed with the clerk not more than 10 days after the final date for filing direct arguments. Rebuttal arguments shall be printed in the same manner as the direct arguments. Each rebuttal argument shall immediately follow the direct argument which it seeks to rebut.

(b) The provisions of subdivision (a) shall only apply if, not later than the day on which the legislative body calls an election, the legislative body, by a majority vote, adopts its provision; in which case, the provisions of subdivision (a) shall apply at the next ensuing municipal election and at each municipal election thereafter, unless later repealed by the legislative body in accord with the procedures of this subdivision.

SEC. 2. Section 5014.5 is added to the Elections Code, to read:

5014.5. (a) If any person submits an argument against a city measure, and an argument has been filed in favor of the city measure, the clerk shall immediately send copies of that argument to the persons filing the argument in favor of the city measure. The persons filing the argument in favor of the city measure may prepare and submit a rebuttal argument not exceeding 250 words. The clerk shall send copies of the argument in favor of the measure to the persons filing the argument against the city measure, who may prepare and submit a rebuttal to the argument in favor of the city measure not exceeding 250 words. The rebuttal arguments shall be filed with the clerk not more than 10 days after the final date for

filing direct arguments. Rebuttal arguments shall be printed in the same manner as the direct arguments. Each rebuttal argument shall immediately follow the direct argument which it seeks to rebut.

(b) The provisions of subdivision (a) shall only apply if, not later than the day on which the legislative body calls an election, the legislative body, by a majority vote, adopts its provisions; in which case, the provisions of subdivision (a) shall apply at the next ensuing municipal election and at each municipal election thereafter, unless later repealed by the legislative body in accord with the procedures of this subdivision.

SEC. 3. Section 5157.5 is added to the Elections Code, to read:

5157.5. (a) If the district board submits an argument against an ordinance, it shall immediately send copies of the argument to the persons filing the initiative petition. The persons filing the initiative petition may prepare and submit a rebuttal argument not exceeding 250 words. The district board may prepare and submit a rebuttal to the argument in favor of the ordinance not exceeding 250 words. The rebuttal arguments shall be filed with the clerk not more than 10 days after the final date for filing direct arguments. Rebuttal arguments shall be printed in the same manner as the direct arguments. Each rebuttal argument shall immediately follow the direct argument which it seeks to rebut.

(b) The provisions of subdivision (a) shall only apply if, not later than the day on which the legislative body calls an election, the district board, by a majority vote, adopts its provisions; in which case, the provisions of subdivision (a) shall apply at the next ensuing election and each district election thereafter, unless later repealed by the legislative body in accord with the procedures of this subdivision.

CHAPTER 702

An act to amend Section 89900 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, relating to the State University and Colleges, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 8, 1977 Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 89900 of the Education Code, as proposed by the 1977 Education Code Supplemental Act, is amended to read:

89900. (a) A certified public accountant shall be selected by each auxiliary organization described in Section 89901. Upon being notified of the certified public accountant selected by an auxiliary organization, the office of the chancellor shall forward the applicable

auditing and reporting procedures to the selected certified public accountant. In accordance with procedures prescribed by the Department of Finance, such certified public accountant shall annually audit any and all state university or college auxiliary funds. The auxiliary organizations shall contract for and receive such audit annually, and shall submit such audit to the trustees and to the Director of Finance. Auxiliary organizations shall annually publish an audited statement of their financial condition which shall be disseminated as widely as feasible and be available to any person on request. In the case of an auxiliary organization primarily serving a single campus of the California State University and Colleges, publication in the campus student newspaper shall be deemed compliance with this requirement. In the case of an auxiliary organization serving the Trustees of the California State University and Colleges, distribution of the published audited statement of its financial condition at a regularly scheduled meeting of the trustees shall be deemed compliance with this requirement.

(b) In the case of an auxiliary organization primarily serving a single campus of the California State University and Colleges, the president of that state university or college shall be responsible for ascertaining that all expenditures are in accordance with policies of the trustees, the propriety of all expenditures, and the integrity of the financial reporting made by auxiliary organizations.

(c) The operation of auxiliary organizations shall be conducted in conformity with regulations established by the trustees, and the accounting procedures of such auxiliary organizations shall be approved by the Director of Finance. The regulations shall include provisions requiring the governing board of each auxiliary organization to provide salaries, working conditions and benefits for the full-time employees of each auxiliary organization which are comparable to those provided California State University and Colleges employees performing similar services; provided, however, that the regulations may permit retirement benefits or permanent status benefits or both to be withheld from temporary and executive employees of each auxiliary organization, and provided further that the regulations may exempt from the requirement of providing retirement benefits any auxiliary organization that is funded primarily by mandatory student fees collected by the trustees. For the purposes of this subdivision, a temporary employee is (a) an employee employed for a research project, workshop, institute, or other special project funded by any grant, contract or gift; or (b) an employee whose contract of employment is for a fixed term not exceeding three years. For the purposes of this subdivision, an executive employee is any management employee with responsibility for the development and execution of auxiliary organization policy and includes, but is not limited to, general managers, business managers, directors, and the like. For those full-time employees whose duties are not comparable to classes in California State University and Colleges employment the salaries

established shall be at least equal to the salaries prevailing in other educational institutions in the area or commercial operations of like nature.

(d) Retirement benefits may be provided by other than the Public Employees' Retirement System. A contract for participation in the Public Employees' Retirement System in accordance with the terms and conditions of the public employees' retirement law shall be deemed to satisfy fully the requirements of subdivision (c) with respect to retirement.

Notwithstanding anything in subdivision (c) to the contrary, the regulations established by the trustees may exempt the governing board of any newly created auxiliary organization from the requirement of providing retirement benefits for a period not to exceed three years from the date that the auxiliary organization is established.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

The provisions of Chapter 1419 of the Statutes of 1976 contain substantial ambiguities which need to be clarified at the earliest possible time. To permit the Trustees of the California State University and Colleges to implement regulations prescribed by that act so that retirement and permanent status benefits are made available to auxiliary organization employees without delay, it is essential that this bill take effect immediately.

CHAPTER 703

An act to amend Section 5681 of the Business and Professions Code, relating to landscape architects.

[Approved by Governor September 8, 1977 Filed with Secretary of State September 8, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 5681 of the Business and Professions Code is amended to read:

5681. The amount of fees prescribed by this chapter is that fixed by the following schedule:

(a) The application fee for examination shall be fixed by the board in such amount as it determines is reasonably necessary to provide sufficient funds to carry out the purpose of this chapter, but not to exceed seventy-five dollars ($75).

(b) The fee for an original certificate is an amount equal to the renewal fee in effect on the last regular renewal date before the date on which the certificate is issued, except that, if the certificate is

issued less than one year before the date on which it will expire, then the fee is an amount equal to 50 percent of the renewal fee in effect on the last regular renewal date before the date on which the certificate is issued. The board may, by appropriate regulation, provide for the waiver or refund of the initial certificate fee where the certificate is issued less than 45 days before the date on which it will expire.

(c) The fee for a temporary certificate is twenty-five dollars ($25).

(d) The fee for a duplicate certificate is five dollars ($5).

(e) The renewal fee shall be fixed by the board in such amount as it determines is reasonably necessary to provide sufficient funds to carry out the purpose of this chapter, but not to exceed one hundred twenty dollars ($120).

(f) The penalty for failure to notify the board of a change of address is five dollars ($5).

(g) The delinquency fee is ten dollars ($10).

CHAPTER 704

An act to amend Sections 22401, 22615, 24401, and 24609 of, to add Sections 22615.6 and 24609.2 to, and to repeal Article 2 (commencing with Section 22250) of Chapter 2 of Division 9 of, the Financial Code, relating to personal property brokers.

[Approved by Governor September 8, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Article 2 (commencing with Section 22250) of Chapter 2 of Division 9 of the Financial Code is repealed.

SEC. 2. Section 22401 of the Financial Code is amended to read:

22401. (a) Licenses shall be conspicuously posted in the place of business of the licensee and are not transferable nor assignable.

(b) A license issued to a partnership or a limited partnership is not transferred or assigned within the meaning of this section by the death, withdrawal, or admission of a partner, general partner, or limited partner, unless such death, withdrawal, or admission dissolves the partnership to which the license was issued.

SEC. 3. Section 22615 of the Financial Code is amended to read:

22615. The commissioner shall suspend or revoke any license, upon notice and reasonable opportunity to be heard, if he finds any of the following:

(a) That the licensee has failed to comply with any demand, ruling, or requirement of the commissioner made pursuant to and within the authority of this division.

(b) That the licensee has violated any provision of this division or any rule or regulation made by the commissioner under and within

the authority of this division.

(c) That any fact or condition exists which, if it had existed at the time of the original application for such license, reasonably would have warranted the commissioner in refusing originally to issue the license.

SEC. 4. Section 22615.6 is added to the Financial Code, to read:

22615.6. The commissioner may by order summarily suspend or revoke the license of any licensee if such person fails to maintain in effect the bonds required under this division within 10 days after notice by the commissioner that such bonds have been canceled or expired. If, after such an order is made, a request for hearing is filed in writing and the hearing is not held within 60 days thereafter, the order is deemed rescinded as of its effective date.

SEC. 5. Section 24401 of the Financial Code is amended to read:

24401. (a) Licenses shall be conspicuously posted in the place of business of the licensee and are not transferable or assignable.

(b) A license issued to a partnership or a limited partnership is not transferred or assigned within the meaning of this section by the death, withdrawal, or admission of a partner, general partner, or limited partner, unless such death, withdrawal, or admission dissolves the partnership to which the license was issued.

SEC. 6. Section 24609 of the Financial Code is amended to read:

24609. The commissioner shall, upon notice and reasonable opportunity to be heard, suspend or revoke any license if he finds any of the following:

(a) That the licensee has failed to comply with any demand, ruling, or requirement of the commissioner made pursuant to and within the authority of this division.

(b) That the licensee has violated any provision of this division or any rule or regulation made by the commissioner under and within the authority of this division.

(c) That any fact or condition exists which, if it had existed at the time of the original application for such license reasonably would have warranted the commissioner in refusing originally to issue the license.

SEC. 7. Section 24609.2 is added to the Financial Code, to read:

24609.2. The commissioner may by order summarily suspend or revoke the license of any licensee if such person fails to maintain in effect the bonds required under this division within 10 days after notice by the commissioner that such bonds have been canceled or expired. If, after such an order is made, a request for hearing is filed in writing and the hearing is not held within 60 days thereafter, the order is deemed rescinded as of its effective date.

CHAPTER 705

An act to add Section 23527 to the Education Code, relating to the State Teachers' Retirement System.

[Approved by Governor September 8, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 23527 is added to the Education Code, to read:

23527. Notwithstanding any other provision of this chapter, the board and the governing bodies of the San Francisco Unified School District and the San Francisco Community College District may enter into an agreement to permit credentialed members of the San Francisco City and County Employees' Retirement System to elect prior to July 1, 1978, to be covered only by the State Teachers' Retirement System for prior and future service performed in the San Francisco Unified School District and the San Francisco Community College District.

The agreement shall prescribe the terms and conditions of the employees' membership in this system and make financial arrangements relating to the transfer and valuation of assets and liabilities.

The agreement shall also require the districts to pay the full costs of the transfer of any such credentialed employees to the State Teachers' Retirement System and shall also require the districts to pay the full costs of any unfunded liabilities with respect to such employee.

CHAPTER 706

An act to amend Sections 1091 and 1091.5 of the Government Code, relating to conflicts of interest.

[Approved by Governor September 8, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 1091 of the Government Code is amended to read:

1091. (a) An officer shall not be deemed to be interested in a contract entered into by a body or board of which he is a member within the meaning of this article if he has only a remote interest in the contract and if the fact of such interest is disclosed to the body or board of which he is a member and noted in its official records, and thereafter the body or board authorizes, approves, or ratifies the

contract in good faith by a vote of its membership sufficient for the purpose without counting the vote or votes of the officer or member with the remote interest.

(b) As used in this article "remote interest" means:

(1) That of a nonsalaried officer of a nonprofit corporation;

(2) That of an employee or agent of the contracting party, if such contracting party has 10 or more other employees and if the officer was an employee or agent of said contracting party for at least three years prior to his initially accepting his office.

For the purposes of this subsection, time of employment with the contracting party by the officer shall be counted in computing the three-year period specified in this subsection even though such contracting party has been converted from one form of business organization to a different form of business organization within three years of the initial taking of office by such officer. Time of employment in such case shall be counted only if, after the transfer or change in organization, the real or ultimate ownership of the contracting party is the same or substantially similar to that which existed before such transfer or change in organization. For the purposes of this subsection, stockholders, bondholders, partners, or other persons holding an interest in the contracting party are regarded as having the "real or ultimate ownership" of such contracting party.

(3) That of a parent in the earnings of his minor child for personal services;

(4) That of a landlord or tenant of the contracting party;

(5) That of an attorney of the contracting party; or

(6) That of a member of a nonprofit corporation formed under the Agricultural Code or a nonprofit corporation formed under the Corporations Code for the sole purpose of engaging in the merchandising of agricultural products or the supplying of water.

(7) That of a supplier of goods or services when such goods or services had been supplied to the contracting party by the officer for at least five years prior to his election or appointment to office.

(8) That of a person subject to the provisions of Section 1090 in any contract or agreement entered into pursuant to the provisions of the California Land Conservation Act of 1965.

(9) That of an officer, director, or employee of a bank, bank holding company, or savings and loan association with which a party to the contract has the relationship of borrower or depositer, debtor or creditor.

(c) The provisions of this section shall not be applicable to any officer interested in a contract who influences or attempts to influence another member of the body or board of which he is a member to enter into the contract.

(d) The willful failure of an officer to disclose the fact of his interest in a contract pursuant to this section shall be punishable as provided in Section 1097. Such violation shall not void the contract however, unless the contracting party had knowledge of the fact of

the remote interest of the officer at the time the contract was executed.

SEC. 2. Section 1091.5 of the Government Code is amended to read:

1091.5. (1) An officer or employee shall not be deemed to be interested in a contract if his interest is:

(a) The ownership of less than 3 percent of the shares of a corporation for profit, provided the total annual income to him from dividends, including the value of stock dividends, from the corporation does not exceed 5 percent of his total annual income, and any other payments made to him by the corporation do not exceed 5 percent of his total annual income;

(b) That of an officer in being reimbursed for his actual and necessary expenses incurred in the performance of official duty;

(c) That of a recipient of public services generally provided by the public body or board of which he is a member, on the same terms and conditions as if he were not a member of the board.

(d) That of a landlord or tenant of the contracting party if such contracting party is the federal government or any federal department or agency, this state or an adjoining state, any department or agency of this state or an adjoining state, any county or city of this state or an adjoining state, or any public corporation or special, judicial, or other public district of this state or an adjoining state unless the subject matter of such contract is the property in which such officer or employee has such interest as landlord or tenant in which event his interest shall be deemed a remote interest within the meaning and subject to the provisions of Section 1091.

(e) That of a tenant in a public housing authority created pursuant to Part 2 (commencing with Section 34200) of Division 24 of the Health and Safety Code in which he serves as a member of the board of commissioners of the authority or of a community development commission created pursuant to Part 1.7 (commencing with Section 34100) of Division 24 of the Health and Safety Code.

(f) That of a spouse of an officer or employee of a public agency in his spouse's employment or officeholding if his spouse's employment or officeholding has existed for at least one year prior to his election or appointment.

(g) That of a nonsalaried member of a nonprofit corporation, provided that such interest is disclosed to the body or board at the time of the first consideration of the contract, and provided further that such interest is noted in its official records.

(2) An officer or employee shall not be deemed to be interested in a contract made pursuant to competitive bidding under a procedure established by law if his sole interest is that of an officer, director, or employee of a bank or savings and loan association with which a party to the contract has the relationship of borrower or depositor, debtor or creditor.

CHAPTER 707

An act to amend Sections 18951, 18955, and 18959 of, and to add Section 18959.5 to, the Health and Safety Code, relating to historical buildings, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 8, 1977 Filed with Secretary of State September 8, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 18951 of the Health and Safety Code is amended to read:

18951. It is the purpose of this part to provide alternative building regulations for the rehabilitation, preservation, restoration (including related reconstruction), or relocation of buildings or structures designated as historic buildings. Such alternative building regulations are intended to facilitate the restoration or change of occupancy so as to preserve their original or restored architectural elements and features, to encourage energy conservation and a cost-effective approach to preservation, and to provide for the safety of the building occupants.

SEC. 2. Section 18955 of the Health and Safety Code is amended to read:

18955. For the purposes of this part, a qualified historical building or structure is any structure, collection of structures, and their associated sites deemed of importance to the history, architecture, or culture of an area by an appropriate local or state governmental jurisdiction. This shall include structures on existing or future national, state or local historical registers or official inventories, such as the National Register of Historic Places, State Historical Landmarks, State Points of Historical Interest, and city or county registers or inventories of historical or architecturally significant sites, places, historic districts, or landmarks.

SEC. 3. Section 18959 of the Health and Safety Code is amended to read:

18959. (a) All the state agencies in Section 18958 may administer and enforce this part with respect to qualified historical buildings or structures under their respective jurisdiction.

(b) All local building authorities may administer and enforce this part with respect to qualified historical structures under their respective jurisdictions where applicable.

(c) The State Architect shall coordinate and consult with the other applicable state agencies affected by this part and disseminate provisions adopted pursuant to this part to all local building authorities and state agencies at cost. The published provisions of this part, in manual form, shall be also available by state agencies to the public, at reasonable cost.

(d) Regulations adopted by the State Fire Marshal pursuant to this part shall be enforced in the same manner as regulations are enforced under Sections 13145, 13146, and 13146.5 of this code.

SEC. 4. Section 18959.5 is added to the Health and Safety Code, to read:

18959.5. Subject to the provisions of Part 2.5 (commencing with Section 18900), the State Historical Buildings Code Advisory Board may adopt, amend, and repeal alternative rules and regulations under this part which the board has recommended for adoption under subdivision (b) of Section 18960 by the State Architect or other applicable state agencies. The alternative rules and regulations adopted by the board pursuant to this section may include all or any portion of rules and regulations adopted or proposed for adoption by state agencies pursuant to Section 18958 except for those rules and regulations within the jurisdiction of a state agency that the state agency has filed a written objection upon with the State Building Standard Commission prior to approval by the commission pursuant to Section 18903.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that changes may be made in the historic buildings law prior to adoption of pending regulations which might be effected thereby, it is necessary that this act take effect immediately.

CHAPTER 708

An act to amend Section 1500 of, and to add Sections 255, 260, and 1511 to, the Evidence Code, relating to documents.

[Approved by Governor September 8, 1977. Filed with Secretary of State September 8, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 255 is added to the Evidence Code, to read:

255. "Original" means the writing itself or any counterpart intended to have the same effect by a person executing or issuing it. An "original" of a photograph includes the negative or any print therefrom. If data are stored in a computer or similar device, any printout or other output readable by sight, shown to reflect the data accurately, is an "original."

SEC. 2. Section 260 is added to the Evidence Code, to read:

260. A "duplicate" is a counterpart produced by the same impression as the original, or from the same matrix, or by means of photography, including enlargements and miniatures, or by mechanical or electronic rerecording, or by chemical reproduction,

or by other equivalent technique which accurately reproduces the original.

SEC. 3. Section 1500 of the Evidence Code is amended to read:

1500. Except as otherwise provided by statute, no evidence other than the original of a writing is admissible to prove the content of a writing. This section shall be known and may be cited as the best evidence rule.

SEC. 4. Section 1511 is added to the Evidence Code, to read:

1511. A duplicate of a writing is not made inadmissible by the best evidence rule if:

(a) No later than 30 days before the hearing the proponent has served written notice upon each other party to the proceeding that a duplicate will be offered in evidence at the hearing in lieu of the original, and has (1) attached a duplicate to the notice, or (2) when it would be inconvenient or impractical to serve a duplicate on each other party, has described the writing in the notice and has made the original or a duplicate available to each other party to the proceeding for inspection or copying in the county in which the hearing will be held; and

(b) Within 10 days after service of the notice provided in subdivision (a), no party to the proceeding has served upon the proponent an objection to the duplicate and a demand that the original be produced at the hearing.

CHAPTER 709

An act to add Title 1.8 (commencing with Section 1798) to Part 4 of Division 3 of the Civil Code, relating to records.

[Approved by Governor September 8, 1977. Filed with Secretary of State September 8, 1977]

The people of the State of California do enact as follows:

SECTION 1. Title 1.8 (commencing with Section 1798) is added to Part 4 of Division 3 of the Civil Code, to read:

TITLE 1.8. PERSONAL DATA

CHAPTER 1. INFORMATION PRACTICES ACT OF 1977

Article 1. General Provisions and Legislative Findings

1798. This chapter shall be known and may be cited as the Information Practices Act of 1977.

1798.1. The Legislature declares that the right to privacy is a personal and fundamental right protected by Section 1 of Article I of the Constitution of California and by the United States

Constitution and that all individuals have a right of privacy in information pertaining to them. The Legislature further makes the following findings:

(a) The right to privacy is being threatened by the indiscriminate collection, maintenance, and dissemination of personal information and the lack of effective laws and legal remedies.

(b) The increasing use of computers and other sophisticated information technology has greatly magnified the potential risk to individual privacy that can occur from the maintenance of personal information.

(c) In order to protect the privacy of individuals, it is necessary that the maintenance and dissemination of personal information be subject to strict limits.

1798.2. This chapter applies to personal and confidential information, except as otherwise specified, and does not apply to nonpersonal information.

Article 2. Definitions

1798.3. As used in this chapter:

(a) The term "confidential information" means any of the following:

(1) Any information in any record maintained by an agency or component thereof which performs as its principal function any activity pertaining to the enforcement of criminal laws, including efforts of the Department of Justice to prevent, control, or reduce crime or to apprehend criminals if the information is (i) compiled for the purpose of identifying individual criminal offenders and alleged offenders and consists only of identifying data and notations of arrests, the nature and disposition of criminal charges, sentencing, confinement, release, and parole and probation status; or (ii) compiled for the purpose of a criminal investigation of suspected criminal activities, including reports of informants and investigators, and associated with an identifiable individual; or (iii) contained in any record which could identify an individual and which is compiled at any stage of the process of enforcement of the criminal laws, from the arrest or indictment stage through release from supervision.

(2) Information consisting solely of written testing or examination material, or scoring keys used solely to determine individual qualifications for appointment or promotion in public service, or used to administer a licensing examination, or academic examination, the disclosure of which would compromise the objectivity or fairness of the testing or examination process.

(3) Information containing medical, psychiatric or psychological material, if the holder of the record determines that disclosure of the information would be medically or psychologically detrimental to the individual. Such information shall, upon written authorization, be disclosed to a physician, psychiatrist or other licensed medical or psychological personnel designated by the data subject.

(4) Information, other than that maintained by an agency or component thereof which performs as its principal function any activity pertaining to the enforcement of criminal law, including the Department of Justice, consisting solely of investigative materials maintained by an agency for the purpose of investigating a specific violation of state law, but only so long as an investigation is in progress and such investigative information has not been maintained for a period longer than is necessary to complete a criminal, civil, or administrative prosecution or initiate other remedial action. An agency may keep the source or sources of information used for an investigation under this section confidential so long as it determines that confidentiality is necessary to protect its law enforcement activities.

(5) Records consisting of information used solely for the purpose of verifying and paying government health care service claims made pursuant to Division 9 (commencing with Section 10000) of the Welfare and Institutions Code.

(6) Any information which is required by statute to be withheld from the individual to whom it pertains.

(b) The term "personal information" means any information in any record about an individual that is maintained by an agency, including, but not limited to, his or her education, financial transactions, medical or employment history. It does not mean information found to be confidential or nonpersonal under subdivision (a) or (c) of Section 1798.3.

(c) The term "nonpersonal information" means all of the following:

(1) Information consisting only of names, addresses, telephone numbers, and other limited factual data which could not, in any reasonable way (i) reflect or convey anything detrimental, disparaging, or threatening to an individual's reputation, rights, benefits, privileges, or qualifications or (ii) be used by an agency to make a determination that would affect an individual's rights, benefits, privileges, or qualifications.

(2) An agency telephone book or directory which is used exclusively for telephone and directory information.

(3) Any card catalog of any library, or the contents of any book listed within such card catalog.

(4) Any mailing list which is used exclusively for the purpose of mailing agency information.

(5) Records required by law to be maintained and used solely as a system of statistical records, but only if such records are maintained for statistical research or reporting purposes only and are not used in whole or in part in making any determination about an identifiable individual.

(6) Records to which an individual has the right of examination pursuant to Article 5 (commencing with Section 11120) of Chapter 1 of Title 1 of Part 4 of the Penal Code.

(d) The term "agency" means every state office, officer,

department, division, bureau, board, commission, or other state agency, except that the term agency shall not include:

(1) The California Legislature.

(2) Any agency established under Article VI of the California Constitution.

(3) The State Compensation Insurance Fund, except as to any records which contain personal information about the employees of the State Compensation Insurance Fund.

(e) The term "disclose" means to disclose, release, transfer, disseminate, or otherwise communicate all or any part of any record orally, in writing, or by electronic or any other means to any person or entity other than the one to whom the record pertains.

(f) The term "individual" means a natural person.

(g) The term "maintain" includes maintain, acquire, use, or disclose.

(h) The term "person" means any natural person, corporation, partnership, firm, or association.

(i) The term "record" means any file or grouping of information about an individual that is maintained by an agency, including, but not limited to, his or her education, financial transactions, medical or employment history and that contains his or her name, identifying number, symbol, or other identifying particular assigned to the individual, including, but not limited to, a finger or voice print or photograph and is maintained by reference to such an identifying particular.

(j) The term "system of records" means one or more records, which pertain to one or more individuals, which is maintained by any agency, from which information is retrieved by the name of an individual or by some identifying number, symbol or other identifying particular assigned to the individual.

(k) The term "governmental entity," except as used in Section 1798.26, means any branch of the federal government or of the local government.

Article 3. Office of Information Practices

1798.4. There is in the Executive Office of the State Personnel Board an Office of Information Practices. The Executive Officer of the State Personnel Board shall appoint the program director and staff of this office.

1798.5. The Office of Information Practices shall assist individuals in identifying records which may contain information about them and shall, in accordance with the provisions of this chapter, assist individuals in securing access to such records. The Office of Information Practices shall provide toll free telephone lines or other comparably effective means and procedures for individuals to use this service effectively at a low cost to themselves.

1798.6. (a) Upon receiving a complaint, the Office of Information Practices may investigate, determine, and report any

violation of any provision of this chapter, or any regulation adopted pursuant thereto. The Office of Information Practices shall not have access to personal information except pursuant to the written voluntary consent of the individual to whom the information pertains.

(b) The Office of Information Practices shall report on violations of this chapter, of which it has knowledge, to the affected agency and if the violation is not corrected within 60 days, to the Office of the Governor, the Legislature, and the appropriate law enforcement agency.

1798.7. The Office of Information Practices may develop model guidelines to assist departments in the implementation of this chapter and, upon request, shall otherwise assist agencies in preparing regulations and meeting technical and administrative requirements. Every agency requesting such assistance shall be charged consulting fees.

1798.8. The Office of Information Practices may attempt to mediate any dispute between the agency and a complaining individual regarding the provisions of this chapter. In the event that mediation fails, the Office of Information Practices shall issue a statement of its findings and recommendations to the parties. Mediation under this section is not a precondition to an individual's utilization of other administrative or civil remedies provided by this chapter.

Article 4. Notification Requirements

1798.9. Each agency maintaining a system of records containing personal or confidential information on July 1, 1978, shall, within 90 days thereafter, file with the Office of Information Practices the notice specified in Section 1798.10. Such notices shall also be filed with that office by such agencies on July 1, 1979, and on the first day of July in each year thereafter. Such notices shall be permanent public records. The Office of Information Practices may establish regulations prescribing the form and method of updating the notices required by Section 1798.10 to implement this section. Any agency maintaining more than one system of records may combine such notices when convenient and appropriate.

1798.10. Notices required to be filed by Section 1798.9 shall specify each of the following:

(a) The name of the agency and the division within the agency that is maintaining the records containing personal or confidential information and the name or title of the system of records, if any, in which such information is maintained.

(b) The categories of individuals and the approximate number of individuals on whom records containing personal or confidential information are maintained in the system. Agencies shall be allowed to estimate the number of individuals on whom records are maintained in each system by selecting one of not more than three

size ranges to be established by the Office of Information Practices for this purpose.

(c) Each major use or purpose within the agency for the personal or confidential information within the system.

(d) Disclosures of the information that will be made pursuant to subdivision (e) or (f) of Section 1798.24.

(e) The legal authority which authorizes the maintenance of personal or confidential information.

(f) Retention and disposal policies for the personal or confidential information.

(g) The general source or sources of the information in the system.

If an agency fails to file such a report, the office promptly shall inform the agency and if the agency fails to comply within 30 days thereafter, the office shall report on such violation in accordance with subdivision (b) of Section 1798.6.

Article 5. Agency Requirements

1798.14. Each agency shall maintain in its records only personal or confidential information which is relevant and necessary to accomplish a purpose of the agency required or authorized by the California Constitution or statute or mandated by the federal government.

1798.15. Each agency shall collect personal or confidential information to the greatest extent practicable directly from the individual who is the subject of the information rather than from another source.

1798.16. Whenever an agency collects personal information, the agency shall maintain the source or sources of the information, unless the source is the data subject or he has received a copy of the source document, including, but not limited to, the name of any source who is an individual acting in his or her own private or individual capacity. If the source is an agency, governmental entity or other organization, such as a corporation or association, this requirement can be met by maintaining the name of the agency, governmental entity, or organization, as long as the smallest reasonably identifiable unit of that agency, governmental entity, or organization is named.

The agency shall maintain the source or sources of the information in a readily accessible form so as to be able to provide it to the data subject when they inspect any record pursuant to Section 1798.34. This section shall not apply if the source or sources are exempt from disclosure under the provisions of this chapter.

1798.17. Each agency shall provide with any form used to collect personal or confidential information from individuals the following notice unless the same information is already contained in the form itself or the individual has already received the same information during the previous year at the time of the request:

(a) The name of the agency and the division within the agency

that is requesting the information.

(b) The title, business address, and telephone number of the agency official who is responsible for the system of records and who shall, upon request, inform an individual regarding the location of his or her records and the categories of any persons who use the information in those records.

(c) The authority, whether granted by statute, regulation, or executive order which authorizes the maintenance of the information.

(d) With respect to each item of information, whether submission of such information is mandatory or voluntary.

(e) The consequences, if any, of not providing all or any part of the requested information.

(f) The principal purpose or purposes within the agency for which the information is to be used.

(g) Any known or foreseeable interagency or intergovernmental transfer which may be made of the information.

(h) The individual's right of access to records containing personal information which are maintained by the agency. This subdivision shall not apply to any confidential information.

1798.18. Each agency shall maintain all records, to the maximum extent possible, with accuracy, relevance, timeliness, and completeness.

Such standard need not be met except when such records are used to make any determination about the individual. When an agency transfers a record outside of state government, it shall correct, update, withhold, or delete any portion of the record that it knows or has reason to believe is inaccurate or untimely.

1798.19. Each agency when it provides by contract for the operation or maintenance of records containing personal or confidential information to accomplish an agency function, shall cause, consistent with its authority, the requirements of this chapter to be applied to such records. For purposes of Article 10 (commencing with Section 1798.55) of this chapter, any contractor and any employee of such contractor, if such contract is agreed to on or after July 1, 1978, shall be considered to be an employee of an agency.

1798.20. Each agency shall establish rules of conduct for persons involved in the design, development, operation, disclosure, or maintenance of records containing personal or confidential information and instruct each such person with respect to such rules and the requirements of this chapter, including any other rules and procedures adopted pursuant to this chapter and the remedies and penalties for noncompliance.

1798.21. Each agency shall establish appropriate and reasonable administrative, technical, and physical safeguards to ensure compliance with the provisions of this chapter, to ensure the security and confidentiality of records, and to protect against anticipated threats or hazards to their security or integrity which could result in

any injury.

1798.22. Each agency shall designate an agency employee to be responsible for ensuring that the agency complies with all of the provisions of this chapter.

1798.23. The Department of Justice shall review all confidential information in its possession every five years commencing July 1, 1978, to determine whether it should continue to be classified as confidential.

Article 6. Conditions of Disclosure

1798.24. No agency may disclose any personal or confidential information unless the disclosure of such information is:

(a) Pursuant to an unsolicited written request, or an oral request which is accompanied by adequate indication of identity, by the individual to whom the record pertains.

(b) With the prior written voluntary consent of the individual to whom the record pertains, but only if such consent has been obtained not more than 30 days before the disclosure, or in the time limit specified by the individual in the written consent.

(c) To the duly appointed guardian or conservator of the individual or a person representing the individual provided that it can be proven with reasonable certainty through the possession of agency forms, documents or correspondence that such person is the authorized representative of the individual to whom the information pertains.

(d) To those officers, employees or volunteers of the agency which has custody of the information if such disclosure is relevant and necessary in the ordinary course of the performance of their official duties and is related to the purpose for which the information was acquired.

(e) To a person, or to another agency where the transfer is necessary for the transferee agency to perform its constitutional or statutory duties, and such use is compatible with a purpose for which the information was collected and such use or transfer is listed in the notice provided pursuant to Section 1798.9.

(f) To a governmental entity when required by state or federal law.

(g) Pursuant to the California Public Records Act, Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code, provided that Section 6253 and subdivision (c) of Section 6254 of the Government Code shall not be interpreted to permit the disclosure of personal information contained in individual employment or medical files, or other personal information which would clearly be disparaging of or threatening to the reputation or rights of an individual other than a state employee acting in his or her official capacity.

(h) To a person who has provided the agency with advance adequate written assurance that the information will be used solely

for statistical research or reporting purposes, but only if the information to be disclosed is in a form that will not identify any individual.

(i) Pursuant to a determination by the agency which maintains the information that compelling circumstances exist which affect the health or safety of an individual, if upon such disclosure notification is transmitted to the individual to whom the information pertains at his or her last known address. Disclosure shall not be made if it is in conflict with other state or federal law.

(j) To the State Archives of the State of California as a record which has sufficient historical or other value to warrant its continued preservation by the California state government, or for evaluation by the Director of General Services or the archivist or his designate to determine whether the record has such value.

(k) To any person pursuant to a subpoena, court order, or other compulsory legal process if, before the disclosure, the agency reasonably attempts to notify such individual to whom the record pertains, and if such notification is not prohibited by law.

(*l*) To any person pursuant to a search warrant.

(m) Pursuant to Article 3 (commencing with Section 1800) of Chapter 1 of Division 2 of the Vehicle Code.

(n) For the sole purpose of verifying and paying government health care service claims made pursuant to Division 9 (commencing with Section 10000) of the Welfare and Institutions Code.

(o) To a law enforcement agency when required for an investigation of criminal activity, unless such disclosure is otherwise prohibited by law.

(p) To another person or governmental organization to the extent necessary to obtain information from such person or governmental organization as necessary for an investigation by the agency of a failure to comply with a specific state law which the agency is responsible for enforcing.

(q) Personal information only to the Office of Information Practices when the transfer is necessary for that office to investigate a complaint it has received regarding an alleged violation of any provision of this chapter or to perform its mediation functions, provided that the Office of Information Practices has received the written voluntary consent of the individual to whom the information pertains for such a transfer.

(r) To an adopted person and is limited to general background information pertaining to the adopted person's natural parents, provided that such information does not include or reveal the identity of the natural parents.

(s) To a committee of the Legislature or to a Member of the Legislature where such Member has permission to obtain the information from the individual to whom it pertains.

(t) To the University of California or a nonprofit educational institution conducting scientific research, provided the request for information includes assurances of the need for personal or

confidential information, procedures for protecting the confidentiality of the information and assurances that the personal identity of the subject shall not be further disclosed in individually identifiable form.

Article 7. Accounting of Disclosures

1798.25. Each agency shall keep an accurate accounting of the date, nature, and purpose of each disclosure of a record made pursuant to subdivision (i), (k), (*l*), (o), or (p), of Section 1798.24. Such accounting shall also be required for disclosures made pursuant to subdivision (e) or (f) of Section 1798.24 unless notice of the type of disclosure has been provided pursuant to the provisions of Sections 1798.9 and 1798.10. The accounting shall also include the name, title, and business address of the person or agency to whom such disclosure was made.

1798.26. With respect to the sale of information concerning the registration of any vehicle, the Department of Motor Vehicles shall, by regulation, establish administrative procedures under which any person making a request for such information shall be required to identify himself or herself and state the reason for making the request. Such procedures shall provide for the verification of the name and address of the person making a request for such information and the department may require the person to produce such information as it determines is necessary in order to ensure that the name and address of the person are his or her true name and address. Such procedures shall also provide for notification to the person to whom the information primarily relates, as to what information was provided and to whom it was provided. The department shall, by regulation, establish a reasonable period of time for which a record of all the foregoing shall be maintained.

The procedures required by this subdivision shall not apply to any governmental entity, any person who has applied for and has been issued a requester code by the department or any court of competent jurisdiction.

1798.27. Each agency shall retain the accounting made pursuant to Section 1798.25 for at least three years after the disclosure for which the accounting is made, or until the record is destroyed, whichever is shorter.

Nothing in this section shall be construed to require retention of the original documents for a three-year period, providing that the agency can otherwise comply with the requirements of this section.

1798.28. Each agency, after July 1, 1978, shall inform any person or agency to whom a record containing personal or confidential information has been disclosed during the preceding three years of any correction of an error or notation of dispute made pursuant to Sections 1798.35 and 1798.36 if (1) an accounting of such disclosure is required by Section 1798.25 or 1798.26, and the accounting has not been destroyed pursuant to Section 1798.27, or (2) the information

provides the name of the person or agency to whom the disclosure was made, or (3) the person who is the subject of the disclosed record provides the name of the person or agency to whom the information was disclosed.

Article 8. Access to Records and Administrative Remedies

1798.30. Each agency shall promulgate rules or regulations specifying procedures to be followed in order fully to implement each of the rights of individuals set forth in this article.

1798.31. This article shall apply only to personal information and not confidential information, except as otherwise expressly stated in Section 1798.40.

1798.32. Each individual shall have the right to inquire and be notified as to whether the agency maintains a record about himself or herself. Inquiries shall specify the name or title of the system of records as filed under Section 1798.9. Agencies shall allow individuals to review the notices that they have submitted to the Office of Information Practices pursuant to Section 1798.9, and shall take other reasonable steps to assist individuals in making their requests sufficiently specific.

Any such notice sent to an individual which in any way indicates that the agency maintains any such record shall include the title and business address of the agency official responsible for maintaining the records, the procedures to be followed to gain access to the records, and the procedures to be followed for an individual to contest the contents of such records unless the individual has received this notice from the agency during the past year. Such information to be included in such notice to an individual shall also be included in the notice filed with the Office of Information Practices pursuant to Section 1798.9.

In implementing the right conferred by this section, an agency may specify in its rules or regulations reasonable times, places, and requirements for identifying an individual who requests access to a record, and for disclosing the contents of a record.

1798.33. Each agency may establish fees to be charged, if any, to an individual for making copies of a record. Such fees shall exclude the cost of any search for and review of the record, and shall not exceed ten cents ($0.10) per page, unless the agency fee for copying is established by statute. The state colleges and universities may charge for copies of student transcripts the prevailing national rate.

1798.34. (a) Each agency shall permit any individual upon request and proper identification to inspect all the personal information in any record containing personal information and maintained by reference to an identifying particular assigned to such individual within 30 days of the request for active records, and within 60 days of the request for inactive records that are in central storage. Failure to respond within these time limits shall be deemed denial. In addition, such individual shall be permitted to inspect any record

containing personal information in which an identifying particular assigned to such individual appears, if the agency knows or should know that such a record exists. The individual also shall be permitted to inspect the accounting made pursuant to Article 7 (commencing with Section 1798.25) of this chapter.

(b) The agency shall permit the individual, and, upon the individual's request, another person of the individual's own choosing to accompany such individual to inspect all the personal information in the record and have an exact copy made of all or any portion thereof within 15 days of such inspection. It may require the individual to furnish a written statement authorizing disclosure of such individual's record in the accompanying person's presence.

(c) The agency shall present the information in the record in a form reasonably comprehensible to the general public.

(d) Whenever an agency is unable to access a record by reference to name only, or when access by name only would impose an unreasonable administrative burden, it may require the individual to submit such other identifying information as will facilitate access to the record.

(e) When an individual is entitled under this chapter to gain access to the information in a record containing personal information, such information or a true copy thereof shall be made available to the individual at a location near the residence of the individual or by mail, whenever reasonable.

1798.35. Each agency shall permit an individual to request in writing an amendment of a record and, shall within 30 days of the date of receipt of such request:

(a) Make each correction in accordance with the individual's request of any portion of a record which the individual believes is not accurate, relevant, timely, or complete and inform the individual of the corrections made in accordance with their request; or

(b) Inform the individual of its refusal to amend the record in accordance with such individual's request, the reason for the refusal, the procedures established by the agency for the individual to request a review by the head of the agency or an official specifically designated by the head of the agency of the refusal to amend, and the name, title, and business address of the reviewing official.

1798.36. Each agency shall permit any individual who disagrees with the refusal of the agency to amend a record to request a review of such refusal by the head of the agency or an official specifically designated by the head of such agency, and, not later than 30 days from the date on which the individual requests such review, complete such review and make a final determination unless, for good cause shown, the head of the agency extends such review period by 30 days. If, after such review, the reviewing official refuses to amend the record in accordance with the request, the agency shall permit the individual to file with the agency a statement of reasonable length setting forth the reasons for the individual's disagreement.

1798.37. The agency, with respect to any disclosure containing information about which the individual has filed a statement of disagreement, shall clearly note any portion of the record which is disputed and make available copies of such individual's statement and copies of a concise statement of the reasons of the agency for not making the amendment to any person or agency to whom the disputed record has been or is disclosed.

1798.38. If information, including letters of recommendation, compiled for the purpose of determining suitability, eligibility, or qualifications for employment, advancement, renewal of appointment or promotion, status as adoptive parents, or for the receipt of state contracts, was received with the promise or, prior to July 1, 1978, with the understanding that the identity of the source of the information would be held in confidence and such source is not in a supervisory position with respect to the individual to whom the record pertains, the agency shall fully inform the individual of all personal information about that individual without identification of the source. This may be done by providing a copy of the text of such material with only such deletions as are necessary to protect the identity of the source or by providing a comprehensive summary of the substance of the material. Whichever method is used, the agency shall insure that full disclosure is made to the subject of any personal information that could reasonably in any way reflect or convey anything detrimental, disparaging, or threatening to an individual's reputation, rights, benefits, privileges, or qualifications, or be used by an agency to make a determination that would affect an individual's rights, benefits, privileges, or qualifications. In institutions of higher education, "supervisory positions" shall not be deemed to include chairpersons of academic departments.

1798.39. Sections 1798.35, 1798.36, and 1798.37 shall not apply to any record evidencing property rights.

1798.40. (a) Except as provided in subdivision (c), if the agency determines that information requested pursuant to Section 1798.34 is confidential it shall inform the individual in writing of the agency's finding that the information contained in the record is confidential, and that disclosure of the contents is not authorized by law.

(b) Except as provided in subdivision (c), each agency shall conduct a review of its determination that particular information is confidential, as defined in this chapter, within 30 days from the receipt of a request by an individual directly affected by such determination, and inform the individual in writing of the findings of such review. The review shall be conducted by the head of such agency or an official specifically designated by the head of such agency.

(c) If the agency believes that compliance with subdivision (a) of this section would seriously interfere with attempts to apprehend persons who are wanted for committing a crime or attempts to prevent the commission of a crime or would endanger the life of an informant or other person submitting information contained in the

confidential record, it may petition the presiding judge of the superior court of the county in which the record is maintained to issue an ex parte order authorizing the agency to respond to the individual that no record is maintained. All proceedings before the court shall be in camera. If the presiding judge finds that there are reasonable grounds to believe that compliance with subdivision (a) will seriously interfere with attempts to apprehend persons who are wanted for committing a crime or attempts to prevent the commission of a crime or will endanger the life of an informant or other person submitting information contained in the confidential record, he shall issue an order authorizing the agency to respond to the individual that no record is maintained by the agency. Such order shall not be issued for longer than 30 days but can be renewed at thirty (30) day intervals. If a request pursuant to this section is received after the expiration of the order, the agency must either respond pursuant to subdivision (a) or seek a new order pursuant to this subdivision.

1798.41. In disclosing information contained in a record to an individual, an agency shall not disclose any personal information relating to another individual which may be contained in such record. To comply with this section, an agency shall, in disclosing information, delete from disclosure such information as may be necessary.

1798.42. In disclosing information contained in a record to an individual, an agency shall not disclose any confidential information which may be contained in a record containing personal information. To comply with this section, an agency shall, in disclosing personal information contained in a record, delete from such disclosure any confidential information.

Article 9. Civil Remedies

1798.45. An individual may bring a civil action against an agency whenever such agency does any of the following:

(a) Refuses to comply with an individual's lawful request to inspect pursuant to subdivision (a) of Section 1798.34.

(b) Fails to maintain any record concerning any individual with such accuracy, relevancy, timeliness, and completeness as is necessary to assure fairness in any determination relating to the qualifications, character, rights, opportunities of, or benefits to the individual that may be made on the basis of such record, if, as a proximate result of such failure, a determination is made which is adverse to the individual.

(c) Fails to comply with any other provision of this chapter, or any rule promulgated thereunder, in such a way as to have an adverse effect on an individual.

1798.46. In any suit brought under the provisions of subdivision (a) of Section 1798.45:

(a) The court may enjoin the agency from withholding the records

and order the production to the complainant of any agency records improperly withheld from the complainant. In such a suit the court shall determine the matter de novo, and may examine the contents of any agency records in camera to determine whether the records or any portion thereof may be withheld as being confidential information and the burden is on the agency to sustain its action.

(b) The court shall assess against the agency reasonable attorney's fees and other litigation costs reasonably incurred in any suit under this section in which the complainant has prevailed. A party may be considered to have prevailed even though he does not prevail on all issues or against all parties.

1798.47. Any agency that fails to comply with any provision of this chapter may be enjoined by any court of competent jurisdiction. The court may make such order or judgment as may be necessary to prevent the use or employment by an agency of any practices which violate this chapter.

Actions for injunction under this section may be prosecuted by the Attorney General, or any district attorney in this state, in the name of the people of the State of California whether upon his or her own complaint, or upon the complaint of the Office of Information Practices, or of a member of the general public, or by any individual acting in his own behalf.

1798.48. In any suit brought under the provisions of subdivision (b) or (c) of Section 1798.45, the agency shall be liable to the individual in an amount equal to the sum of:

(a) Actual damages sustained by the individual, including damages for mental suffering.

(b) The costs of the action together with reasonable attorney's fees as determined by the court.

1798.49. An action to enforce any liability created under Sections 1798.45 to 1798.48, inclusive, may be brought in any court of competent jurisdiction in the county in which the complainant resides, or has his principal place of business, or in which the defendant's records are situated, within two years from the date on which the cause of action arises, except that where a defendant has materially and willfully misrepresented any information required under this section to be disclosed to an individual who is the subject of the information and the information so misrepresented is material to the establishment of the defendant's liability to that individual under this section, the action may be brought at any time within two years after discovery by the complainant of the misrepresentation. Nothing in Sections 1798.45 to 1798.48, inclusive, shall be construed to authorize any civil action by reason of any injury sustained as the result of any information practice covered by this chapter prior to July 1, 1978.

The rights and remedies set forth in this chapter shall be deemed to be nonexclusive and are in addition to all those rights and remedies which are otherwise available under any other provision of law.

1798.50. A civil action shall not lie under this article based upon an allegation that an opinion which is subjective in nature, as distinguished from a factual assertion, about an individual's qualifications, in connection with a personnel action concerning such an individual, was not accurate, relevant, timely, or complete.

1798.51. Where a remedy other than those provided in Articles 8 and 9 is provided by law but is not available because of lapse of time an individual may obtain a correction to a record under this chapter but such correction shall not operate to revise or restore a right or remedy not provided by this chapter that has been barred because of lapse of time.

1798.53. Any person, other than an employee of the state or of a local government agency acting solely in his or her official capacity, who intentionally discloses information, not otherwise public, which they know or should reasonably know was obtained from personal or confidential information maintained by a state agency or from "records" within a "system of records" (as such terms are defined in the Federal Privacy Act of 1974 (P. L. 93-579; 5 U.S.C. 552a) maintained by a federal government agency, shall be subject to a civil action, for invasion of privacy, by the individual to whom the information pertains.

In any successful action brought under this section, the complainant, in addition to any special or general damages awarded, shall be awarded a minimum of two thousand five hundred dollars ($2,500) in exemplary damages as well as attorney's fees and other litigation costs reasonably incurred in the suit.

The right, remedy, and cause of action set forth in this section shall be nonexclusive and is in addition to all other rights, remedies, and causes of action for invasion of privacy, inherent in Section 1, Article I of the California Constitution.

Article 10. Penalties

1798.55. The intentional violation of any provision of this chapter or of any rules or regulations adopted thereunder, by an officer or employee of any agency shall constitute a cause for discipline, including termination of employment.

1798.56. Any person who willfully requests or obtains any record containing personal or confidential information from an agency under false pretenses shall be guilty of a misdemeanor and fined not more than five thousand dollars ($5,000), or imprisoned not more than one year, or both.

Article 11. Miscellaneous Provisions

1798.60. An individual's name and address may not be distributed for commercial purposes, sold, or rented by an agency unless such action is specifically authorized by law.

1798.61. Nothing in this chapter shall prohibit the release of only

names and addresses of persons applying for or possessing licenses to engage in professional occupations.

1798.62. Upon written request of any individual, any agency which maintains a mailing list shall remove the individual's name and address from such list, except that such agency need not remove the individual's name if such name is exclusively used by the agency to directly contact the individual.

1798.63. The provisions of this chapter shall be liberally construed so as to protect the rights of privacy arising under this chapter or under the Federal or State Constitution.

1798.64. (a) Each agency record which is accepted by the Director of General Services for storage, processing, and servicing in accordance with provisions of the State Administrative Manual for the purposes of this chapter shall be considered to be maintained by the agency which deposited the record and shall continue to be subject to the provisions of this chapter. The Director of General Services shall not disclose the record except to the agency which maintains the record, or pursuant to rules established by such agency which are not inconsistent with the provisions of this chapter.

(b) Each agency record pertaining to an identifiable individual which was or is transferred to the State Archives as a record which has sufficient historical or other value to warrant its continued preservation by the California state government, prior to or after July 1, 1978, shall, for the purposes of this chapter, be considered to be maintained by the archives.

1798.65. The Legislative Analyst shall monitor the implementation of the provisions of this chapter by agencies selected by the Legislative Analyst and shall prepare and submit a report to the Legislature no later than July 1, 1979.

The Legislative Analyst's report shall provide a general description of the processes implemented by the selected agencies to fulfill the provisions of this chapter, and an evaluation of those processes with respect to their effectiveness in meeting legislative intent. The report shall also contain the following specific items:

(a) An assessment of the assistance that the Office of Information Practices and state agencies are providing to enable individuals to identify and gain access to their records and a recommendation on whether a central directory of state records should be published to further assist individuals in this regard.

(b) An assessment of the review procedure provided for in Section 1798.36 and a recommendation on whether additional or different procedures should be provided to protect the rights of individuals.

(c) An assessment of whether the amount and type of damages provided for in Sections 1798.47 and 1798.53 adequately protects the rights of individuals.

(d) An assessment of whether the provisions of this act should be extended to local law enforcement agencies.

1798.66. The time limits specified in Article 8 (commencing with

Section 1798.30) may be extended to 60 days by the Franchise Tax Board if the following conditions exist:

(a) The request is made during the period January 1 through June 30; and

(b) The records requested are stored on magnetic tape.

1798.67. Where an agency has recorded a document creating a lien or encumbrance on real property in favor of the state, nothing herein shall prohibit any such agency from disclosing information relating to the identity of the person against whom such lien or encumbrance has been recorded for the purpose of distinguishing such person from another person bearing the same or a similar name.

Article 12. Construction With Other Laws

1798.70. This chapter shall be construed to supersede any other provision of state law, including Section 6253.2 of the Government Code, or any exemption in Section 6254 or 6255 of the Government Code, which authorizes any agency to withhold from an individual any record containing personal information which is otherwise accessible under the provisions of this chapter.

1798.71. This chapter shall not be deemed to abridge or limit the rights of litigants, including parties to administrative proceedings, under the laws, or case law, of discovery of this state.

1798.72. Nothing in this chapter shall be construed to authorize the disclosure of any record containing personal information, other than to the subject of such records, in violation of any other law.

1798.73. Nothing in this chapter shall be construed to deny or limit any right of privacy arising under Section 1 of Article I of the California Constitution.

1798.74. The provisions of Chapter 13 (commencing with Section 67110) of Part 40 of the Education Code shall, with regard to student records, prevail over the provisions of this chapter.

1798.75. This chapter shall not be deemed to supersede Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code, except as to the provisions of Section 1798.70.

1798.76. Nothing in this chapter shall be construed to revoke, modify, or alter in any manner any statutory provision or any judicial decision which (a) authorizes an individual to gain access to any law enforcement record, or (b) authorizes discovery in criminal or civil litigation.

SEC. 2. Each agency shall ensure that no record containing personal or confidential information shall be modified, transferred, or destroyed to avoid compliance with any of the provisions in Section 1 of this act. In the event that an agency fails to comply with the provisions of this section, an individual may bring a civil action and seek the appropriate remedies and damages in accordance with the provisions of Article 9 (commencing with Section 1798.45) of Title 1.8 of Part 4 of Division 3 of the Civil Code, as added by Section 1 of this act.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local governmental entities which, in the aggregate, do not result in significant identifiable cost changes.

SEC. 4. Section 1 of this act shall become operative on July 1, 1978.

SEC. 5. This act shall not be deemed to supersede the provisions of Chapter 1299 of the Statutes of 1976.

SEC. 6. It is the intent of the Legislature that if this bill and S.B. 251 are both chaptered, Section 1798.38 of the Civil Code, as added by Section 1 of this act shall not apply to the University of California.

CHAPTER 710

An act to amend Sections 14837, 14838, and 14839 of, to amend and renumber Section 14842 of, and to add Section 14842 to, the Government Code, relating to small businesses.

[Approved by Governor September 8, 1977 Filed with Secretary of State September 8, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 14837 of the Government Code is amended to read:

14837. As used in this chapter:

(a) "Department" means the Department of General Services.

(b) "Director" means the Director of General Services.

(c) "Small business" means a business, in which the principal office is located in California, and the officers of such business are domiciled in California, which is independently owned and operated, and which is not dominant in its field of operation.

In addition to the foregoing criteria the director, in making a detailed definition, shall use dollar volume of business as a criterion, in addition to other criteria. The maximum number of employees and the maximum dollar volume which a small business may have under the definition shall vary from industry to industry to the extent necessary to reflect differing characteristics of such industries. The director shall exercise his best judgment that both the raw and finished material supplier arrangements of the successful bidder shall not circumvent the intent of this chapter, and the director may take account of other relevant factors as determined by regulation.

SEC. 2. Section 14838 of the Government Code is amended to read:

14838. In order to facilitate the participation of small business in state procurement and in construction contracts under the Office of the State Architect, the director shall:

(a) Establish goals for the extent of participation of small businesses in state procurement and in Office of the State Architect contracts.

(b) Provide for small business preference where responsibility and quality are equal. Such preference to small business shall be 5 percent for the lowest responsible bidder meeting specifications.

(c) Give special consideration to small businesses by both:

(1) Reducing the experience required.

(2) Reducing the level of inventory normally required.

(d) Give special assistance to small businesses in their preparation and submission of the information requested in Government Code Section 14310.

(e) Under the authorization granted in Section 14311 of the Government Code, make awards, whenever feasible, to small business bidders for each project bid upon within their prequalification rating. This may be accomplished by dividing major projects into subprojects so as to allow a small business contractor to qualify to bid on such subprojects.

SEC. 3. Section 14839 of the Government Code is amended to read:

14839. There is hereby established within the department the Small Business Office. The duties of such office shall include:

(a) Compiling and maintaining a comprehensive bidders list of qualified small businesses.

(b) Coordinating with the Federal Small Business Administration, the Office of Minority Business Enterprises, and the Executive Board of the California Job Development Corporation.

(c) Assisting small business in complying with the procedures for bidding on state contracts.

(d) Working with appropriate state, federal, and private organizations in disseminating information on bidding procedures and the opportunities of small businesses for state contracts.

(e) Assisting state agencies in determining which invitations to bid are to be designated as small business preferences.

(f) Making recommendations to the department and other state agencies for simplification of specifications and terms in order to increase the opportunities for small business participation.

(g) The information furnished by each contractor requesting a small business preference shall be under penalty of perjury.

SEC. 4. Section 14842 of the Government Code is amended and renumbered to read:

14843. The department may make all rules and regulations consistent with the law for the purpose of carrying into effect the provisions of this chapter. Rules and regulations shall be adopted, amended, or repealed in accordance with the provisions of Chapter 4.5 (commencing with Section 11371) of Part 1 of this division.

SEC. 5. Section 14842 is added to the Government Code, to read:

14842. (a) A business which has obtained classification as a small business by reason of having furnished incorrect supporting information and which by reason of such classification has been

awarded a contract to which it would not otherwise have been entitled, shall:

(1) Pay to the state any difference between the contract amount and what the state's costs would have been if the contract had been properly awarded;

(2) In addition to the amount described in subdivision (a), be assessed a penalty in an amount of not more than 10 percent of the amount of the contract involved; and

(3) Be ineligible to transact any business with the department for a period of not less than three months and not more than 24 months.

(b) All payments to the state pursuant to paragraph (1) of subdivision (a) shall be deposited in the fund out of which the contract involved was awarded.

(c) All payments to the state pursuant to paragraph (2) of subdivision (a) shall be deposited in the State General Fund.

CHAPTER 711

An act to add and repeal Sections 8709, 8709.5, 8710, 8711, 8712, and 8713 to the Government Code, relating to the Office of the Lieutenant Governor, and making an appropriation therefor.

[Approved by Governor September 9, 1977. Filed with Secretary of State September 10, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 8709 is added to the Government Code, to read:

8709. The Lieutenant Governor shall appoint a Council on Intergroup Relations, hereinafter referred to as the council, consisting of not more than 25 persons selected by the Lieutenant Governor. Members of the council shall serve at the pleasure of the Lieutenant Governor. Members of the council shall be made up of those who are representative of the emerging groups in California.

SEC. 1.5. Section 8709.5 is added to the Government Code, to read:

8709.5. As used in this chapter, "emerging groups or nations" means those people who are migrating, or have recently migrated, to California from other parts of the world.

SEC. 2. Section 8710 is added to the Government Code, to read:

8710. The council shall meet at least once every four months and shall discuss, compare, and evaluate individual group or shared problems and concerns in such fields as education, employment, language, culture, and other matters concerning Californians from the emerging nations. The council shall make reports from time to time but not less than annually to the commission, the Legislature, and the Governor.

SEC. 3. Section 8711 is added to the Government Code, to read:

8711. The Lieutenant Governor shall appoint a chairman for the Council on Intergroup Relations. The council may appoint such other officers as it deems appropriate and may make rules for the conduct of its affairs. The staff and offices of the council shall be the staff and offices of the Lieutenant Governor and the council shall incur no independent expense to the state, except as provided in Section 8712.

SEC. 4. Section 8712 is added to the Government Code, to read:

8712. Members of the Council on Intergroup Relations shall serve solely in an advisory capacity and shall not be deemed to be officers of the state. They shall serve without compensation, but each member of the council shall be reimbursed for actual necessary expenses incurred in attending any meeting of the council held more than 50 miles from his place of residence.

SEC. 5. Section 8713 is added to the Government Code, to read:

8713. Sections 8709, 8709.5, 8710, 8711, 8712, and 8713 shall remain in effect only until January 1, 1983, and as of such date are repealed, unless a later enacted statute, which is chaptered before January 1, 1983, deletes or extends such date.

SEC. 6. The sum of ten thousand dollars ($10,000) is hereby appropriated from the General Fund to the Office of the Lieutenant Governor for expense of the Council on Intergroup Relations.

CHAPTER 712

An act to amend Sections 74603, 74604, and 74607 of the Government Code, relating to courts.

[Became Law Without Governor's Signature September 12, 1977
Filed with Secretary of State September 12, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 74603 of the Government Code is amended to read:

74603. Notwithstanding any other provision of law, justice court district boundaries in effect immediately prior to the operative date of this article shall apply for the purposes of selecting trial jurors pursuant to Section 203 of the Code of Civil Procedure. Justice Court Judicial Districts 1 and 5 shall be considered consolidated and Districts 2 and 3 shall also be considered consolidated for such purposes; provided, however, that nothing shall preclude the exercise of discretion by the municipal court jury commissioner in selecting trial jurors when the former justice court judicial district boundaries do not physically correspond with the present location of court facilities set forth in Section 74602.

SEC. 1.5. Section 74604 of the Government Code is amended to

read:

74604. There shall be one clerk of the court known as the clerk-administrator who shall be appointed by the presiding judge and who shall hold office at his pleasure. He shall receive an annual salary of twenty-four thousand three hundred twenty-nine dollars ($24,329). In addition to any other duties imposed upon him by law, at the direction of the presiding judge, the clerk-administrator shall have the following duties:

(a) To direct and coordinate the nonjudicial activities of the court.

(b) To coordinate the personnel practices in compliance with rules of the court.

(c) To prepare and administer the budget of the court.

(d) To coordinate with other county agencies the acquisition, utilization, maintenance and disposition of county facilities, equipment and supplies necessary for operation of the court.

(e) To initiate studies and prepare appropriate recommendations and reports to the presiding judge relating to the business of the court, including, but not limited to, such matters as standardization of forms, procedures, and classification and compensation of officers and employees.

(f) To collect, compare, and analyze statistical data on a continuing basis concerning the status of judicial and nonjudicial business of the court and to prepare periodic reports and recommendations based on such data.

(g) To serve as liaison for the court with other persons, committees, boards, groups, and associations as directed by the presiding judge.

SEC. 2. Section 74607 of the Government Code is amended to read:

74607. The presiding judge of the court may appoint:

(a) Four municipal court clerks IV, each of whom shall receive a monthly salary at a rate specified in range 60.6.

(b) One accounting technician, who shall receive a monthly salary at a rate specified in range 60.1.

(c) Two municipal court clerks III, each of whom shall receive a monthly salary at a rate specified in range 59.6.

(d) One account clerk, who shall receive a monthly salary at a rate specified in range 57.8.

(e) Two municipal court clerks II, each of whom shall receive a monthly salary at a rate specified in range 58.7.

(f) Nineteen municipal court clerks I, each of whom shall receive a monthly salary at a rate specified in range 57.3.

(g) One part-time municipal court clerk I, who shall receive a monthly salary at a rate specified in range 57.3.

(h) One assistant clerk-administrator, who shall receive a monthly salary at a rate specified in range 62.6.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because this act is in accordance with the request of a local governmental entity or

entities which desire legislative authority to act and to carry out the program specified in this act.

CHAPTER 713

An act to repeal and add Article 5 (commencing with Section 61411) of Chapter 1 of Part 3 of Division 21 of the Food and Agricultural Code, relating to milk and dairy products.

[Became law without Governor's signature September 12, 1977.
Filed with Secretary of State September 12, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Article 5 (commencing with Section 61411) of Chapter 1 of Part 3 of Division 21 of the Food and Agricultural Code is repealed.

SEC. 2. Article 5 (commencing with Section 61411) is added to Chapter 1 of Part 3 of Division 21 of the Food and Agricultural Code, to read:

Article 5. Price Filing

61411. Every distributor shall file with the director schedules and any amendments to the schedules, which set forth the prices at which such distributor is selling, or offering or agreeing to sell, at wholesale, in defined sales areas, any of the following: market milk; market cream; buttermilk; flavored milk drinks; bottled milk drinks which are sold under a trade name; modified milk; acidophilus milk; skim milk for human consumption; milk and cream in combination which does not come within the statutory definitions of milk or cream; cottage cheese; eggnog; sour cream dressing, yogurts; and any filled milk product or any imitation milk product in which the use of market milk or any component of market milk is required by Section 38925.

61412. The director, by regulations adopted pursuant to Section 61341, may provide for any of the following:

(a) A period after filing when the filed prices become effective.

(b) The manner of filing and indexing filed prices.

(c) Enforcement procedures.

(d) The competitive meeting by other distributors of filed prices.

(e) Such other matters as are consistent with implementation and enforcement of this chapter.

61413. The director, by regulations adopted pursuant to Section 61341 may require that the schedules of filed prices, and amendments to such schedules, be confidential and not be divulged, except if necessary for the proper determination of any court proceeding or hearing before the director.

SEC. 3. No appropriation is made by this act, nor is any obligation created thereby under Section 2231 of the Revenue and Taxation Code, for the reimbursement of any local agency for any costs that may be incurred by it in carrying on any program or performing any service required to be carried on or performed by it by this act.

CHAPTER 714

An act to amend Section 84890 of, to add Section 84897 to, to add Article 7 (commencing with Section 84380) to Chapter 3 of Part 50 of, to repeal Section 84523 of, and to repeal Article 15 (commencing with Section 84890) of Chapter 5 of Part 50 of, the Education Code, relating to community colleges, and making an appropriation therefor.

[Became law without Governor's signature September 8, 1977 Filed with Secretary of State September 12, 1977]

The people of the State of California do enact as follows:

SECTION 1. Article 7 (commencing with Section 84380) is added to Chapter 3 of Part 50 of the Education Code, to read:

Article 7. Community College Fund for Instructional Improvement

84380. In creating the Fund for Instructional Improvement, the Legislature finds and declares:

(a) Community college instructional patterns continue to rely heavily on traditional classroom teaching methods due to legal, fiscal, and attitudinal constraints.

(b) Alternative instructional programs should be developed which reduce the barriers between school and work, link academic knowledge and learning outside the classroom, improve problem solving abilities, and place greater responsibility with the student in defining individual learning objectives and means.

(c) Stimulating a greater level of institutional alternatives requires limited, experimental changes in state financing of instructional programs. Such financing experiments should involve reallocation of existing state resources.

(d) Few state and institutional resources are expended to improve or retrain teachers and additional dollars should be expended for such purposes.

(e) Colleges should develop a more adequate means of serving the needs of nontraditional students including the poor, reentering women, and blue-collar workers.

84381. There is hereby created in the State Treasury the Community College Fund for Instructional Improvement. The fund

shall consist of a revolving loan program and a direct grant program to support alternative educational programs and services, including:

(a) Nontraditional forms, content, and methods of instruction, such as:

(1) Instructional programs which involve internships and experiential learning opportunities;

(2) Individualized instructional programs which require student development of learning objectives through learning contracts;

(3) Instructional programs which focus on the development of interpersonal skills;

(4) Instructional programs involving independent study;

(b) Programs for improving teaching abilities of faculty members;

(c) Programs addressing special learning needs of educationally disadvantaged students; and

(d) Educational services for new clientele, including older, working adults.

(e) Efforts to improve traditional instructional programs.

84382. The direct grant program shall support college efforts for instructional innovations and shall include financial participation by applicant colleges. The board of governors shall award grants to colleges on the basis of review of project proposals submitted by faculty members, students, and administrators. Priorities for funding proposals shall be established by the board of governors. Community college districts receiving awards under this article shall submit reports as required by the chancellor.

84383. A portion of the fund shall support evaluation of projects by the board of governors or by an independent evaluator. The board of governors shall evaluate the effectiveness of the fund and submit a report to the Legislature during the 1981–82 Regular Session. Not more than 5 percent of the fund may be used for administrative purposes by the board of governors in any fiscal year. The board of governors shall adopt rules and regulations concerning the administration of the direct grant program.

84384. There is hereby transferred from the General Fund to the Community College Fund for Instructional Improvement the sum of fifty thousand dollars ($50,000) for use by the Board of Governors of the California Community Colleges, for the 1977–78 fiscal year, to establish fund priorities, develop and implement application and review procedures and criteria, and review project applications for 1978–79 project funding.

Beginning with the 1978–1979 fiscal year eight hundred thousand dollars ($800,000), or one-half of 1 percent of the total state apportionments made to community college districts in the preceding fiscal year, whichever is the lesser, of the amount transferred from the General Fund to Section B of the State School Fund is hereby reallocated annually to the Community College Fund for Instructional Improvement to support direct grants to districts.

The chancellor shall reduce the apportionment to each community college district by the same ratio as 800,000 bears to the

total number of dollars apportioned to community college districts from Section B of the State School Fund in the preceding fiscal year.

There is hereby transferred from the State General Fund to the Community College Fund for Instructional Improvement for the 1978–79 fiscal year the sum of two hundred thousand dollars ($200,000) to support direct grants to districts.

84385. A portion of the Community College Fund for Instructional Improvement shall be used to provide loans to community college districts for the purposes of planning, designing, and developing instructional courses or programs.

The board of governors may authorize the transfer of funds from the amount apportioned from the General Fund to Section B of the State School Fund to make loans to community college districts for instructional development purposes.

Loans from the fund shall not exceed one million dollars ($1,000,000) per year, and there may not be more than three million dollars ($3,000,000) in outstanding loans at any one time.

The chancellor shall reduce the apportionment to each community college district by the same ratio as the total number of dollars loaned in any fiscal year bears to the total number of dollars apportioned to community college districts from Section B of the State School Fund in the preceding fiscal year.

84386. A district's request for and uses of a loan shall be made in accordance with rules and regulations adopted by the Board of Governors of the California Community Colleges.

84387. Upon certification by the chancellor a loan shall be drawn from the Community College Fund for Instructional Improvement by the State Controller in favor of the applicant district. During each of the three years beginning with the fiscal year immediately succeeding the fiscal year in which the loan is made under this section, the State Controller shall deduct from the second principal apportionment made from Section B of the State School Fund to the community college district an amount equal to one-third of the amount loaned to the district, and transfer the amount into the Community College Fund for Instructional Improvement.

SEC. 2. Section 84523 of the Education Code is repealed.

SEC. 3. Section 84890 of the Education Code is amended to read:

84890. There is a pilot program for more flexible and effective nontraditional calendar and course scheduling in the community colleges.

The pilot program shall be limited to the Cabrillo Community College District and six other community college districts to be selected by the Board of Governors of the California Community Colleges.

The board of governors shall monitor and evaluate the costs and benefits of experimental, nontraditional calendars to be undertaken in the pilot districts and report its findings to the 1977–78 Regular Session of the Legislature. One objective of this chapter is to study use of a full-time equivalent measure of enrollment that produces a

count as similar as possible to the previous average daily attendance count, while eliminating factors that theoretically convert enrollment to attendance. Inasmuch as the nationally recognized measure of semester course credit is defined for a term of 16 weeks, a second objective of this chapter is to evaluate a minimum instructional year of 160 days for community colleges similar to that of other segments of higher education while retaining the 175-day academic year. In addition, under provisions of this chapter, organization of instructional modules are no longer limited to the traditional quarter or semester modes. Flexible calendar scheduling will, among other effects, facilitate articulation of community college students with other segments of higher education, allow programs and courses to be designed on the basis of need and subject content, and provide opportunity to smooth peak student course demand within an educationally and fiscally responsible framework.

This chapter applies only to community college districts included in the pilot program.

In order to carry out the purposes of the pilot program the board of governors may waive the provisions of Sections 72252, 76302, 76310, 76311, 76312, 76320, 76321, 78008, 78200, 78206, 78460, 79002, 79028, 84370, 84372, 84520, 84522, 84524, 84525, 84526, 84528, 84531, 84532, 84533, 84550, 84701, 84706, 84760 and any other related sections as applied only to pilot districts.

SEC. 4. Section 84897 is added to the Education Code, to read:

84897. This article shall remain in effect until July 1, 1980, and as of such date is repealed.

CHAPTER 715

An act relating to the construction of a state office building.

[Approved by Governor September 12, 1977. Filed with Secretary of State September 12, 1977.]

The people of the State of California do enact as follows:

SECTION 1. The Department of General Services shall acquire land for the construction of a state-owned office building in close proximity to the San Fernando Valley Civic Center in Van Nuys. The site for such building shall be within one mile of present state-owned property at the intersection of Van Nuys Boulevard and Sylvan Street, and such property shall be acquired either through trade or purchase. The Department of General Services is hereby authorized to dispose of the existing vacant state property at the southeast corner of Van Nuys Boulevard and Sylvan Street; provided, that such action shall constitute part of a trade by which the Department of General Services shall acquire a parcel of property which meets all of the conditions prescribed in this section.

SEC. 2. Acquisitions made pursuant to this act shall be subject to the provisions of the Property Acquisition Law (Part 11 (commencing with Section 15850) of Division 3 of Title 2 of the Government Code).

CHAPTER 716

An act to add Article 4.5 (commencing with Section 19400) to Chapter 7 of Part 2 of Division 5 of Title 2 of the Government Code, relating to state employees.

[Approved by Governor September 12, 1977 Filed with Secretary of State September 12, 1977]

The people of the State of California do enact as follows:

SECTION 1. Article 4.5 (commencing with Section 19400) is added to Chapter 7 of Part 2 of Division 5 of Title 2 of the Government Code, to read:

Article 4.5. Upward Mobility

19400. It is the intent of this article to aid the implementation of affirmative action programs in state agencies and departments by creating an effective upward mobility program for state employees concentrated in low-paying occupations. An upward mobility program is one in which career opportunities are developed, published and assistance provided which will allow employees in low-paying occupations to develop and advance to their highest potential. Because of the large percentage of women and minorities concentrated in these occupations such a program will help the state meet its affirmative action goals.

19401. All departments and agencies of state government shall establish an effective program of upward mobility for occupational groups, which shall include, but not be limited to, clerical, supervisory clerical, semiskilled, crafts and trades, supervisory crafts and trades, custodial, supervisory custodial, laborers, and career opportunities development classes, as defined by the State Personnel Board.

19402. All upward mobility programs shall include annual goals and timetables which include the number of employees expected to progress from clerical and subprofessional positions to entry-level technical, professional, and administrative positions, and the time frame within which this progress shall occur. The State Personnel Board shall be responsible for approving each department's annual upward mobility goals and timetables.

Any department or agency of state government which determines that it will be unable to achieve such goals and timetables may

request the State Personnel Board for a reduction in the goals. If the State Personnel Board determines that the department or agency has not made a good faith effort to achieve such goals and timetables, the board shall hold public hearings to determine the reasons for such deficiency, and to establish a program to overcome these deficiencies.

19403. The State Personnel Board shall, in cooperation with departments, establish bridging career ladders to provide upward mobility from subprofessional jobs to professional and managerial jobs on an ongoing basis.

19404. In developing their upward mobility programs, departments shall endeavor to provide, to the greatest extent possible, the following opportunities for employees who meet criteria established by the department, demonstrate the aptitude or potential for advancement and wish to participate in:

(a) Career counseling utilizing individual professional, administrative, and technical employees who can serve as career models, and a course in group career counseling. Each employee, who wishes to participate in an upward mobility program, should be required to develop a career development plan. Career counseling should be provided for employees.

(b) Appropriate academic counseling.

(c) Training opportunities such as college programs related to special training programs. This training may include release time at reduced cost or no cost to the employee, and may be offered in geographically remote areas through cooperative arrangements with other departments and colleges.

(d) Training and development assignments.

(e) On-the-job training.

(f) Job restructuring, including the development of career ladders and lattices, and modification of requirements where employment barriers exist.

19405. The State Personnel Board shall annually submit a report to the Legislature describing the performance of each department and agency in state government in terms of the number of employees served by the various programs required by this article, and the number of employees employed in higher positions.

19406. The State Personnel Board shall prepare written guidelines for implementation of the upward mobility program described in this article within six months from the effective date of this article. The board shall involve representatives from a cross section of groups and organizations representing the target groups of state employees both in the initial discussion and in the subsequent preparation of such guidelines.

CHAPTER 717

An act to amend Section 3456 of, to add Section 3327.5 to, the Business and Professions Code, relating to hearing aid dispensers.

[Approved by Governor September 12, 1977. Filed with Secretary of State September 12, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 3327.5 is added to the Business and Professions Code, to read:

3327.5. On and after January 1, 1979, all holders of licenses to sell and fit hearing aids shall continue their education after receiving such license. The committee shall provide by regulation, as a condition to the renewal thereof, that licensees shall submit documentation satisfactory to the committee that they have informed themselves of the developments in the practice occurring since the prior issuance or renewal of their licenses by having pursued courses of study satisfactory to the committee or by other means defined as equivalent by the committee.

SEC. 2. Section 3456 of the Business and Professions Code is amended to read:

3456. The amount of fees and penalties prescribed by this chapter are those fixed in the following schedule:

(a) The fee for applicants applying for the first time for a license is not more than seventy-five dollars ($75) which shall not be refunded, except to applicants who are found to be ineligible to take an examination for a license; those applicants are entitled to a refund of not more than fifty dollars ($50).

(b) The fee for taking the qualifying examination is not more than seventy-five dollars ($75).

(c) The fee for applicants for a license who have failed a previous examination is not more than seventy-five dollars ($75) for each succeeding examination.

(d) The fee for renewal of a license is not more than seventy-five dollars ($75) for each renewal.

(e) The initial license fee is not more than one hundred fifty dollars ($150), unless the initial license is issued on or after July 15th of any year. If it is issued on or after July 15, the initial license fee is seventy-five dollars ($75).

(f) The delinquency fee is twenty-five dollars ($25).

(g) The fee for issuance of a duplicate license for a branch office, or upon loss of an original license or upon change of name authorized by law of a person holding a license under this chapter is fifteen dollars ($15).

CHAPTER 718

An act to add Section 225m to the Civil Code, relating to adoption.

[Approved by Governor September 12, 1977. Filed with Secretary of State September 12, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 225m is added to the Civil Code, to read:

225m. Notwithstanding any other provision of law, it shall be unethical for an attorney to undertake the representation of both the prospective adopting parents and the natural parents of a child in any negotiations or proceedings in connection with an adoption unless a written consent is obtained from both parties.

The provisions of this section are not applicable to stepparent adoptions or an adoption in which an organization licensed by the State Department of Health to find homes for children and place children for adoption, joins in the petition for adoption.

Upon the petition of any party, the court may appoint an attorney to represent the natural parent or parents of a child in negotiations or proceedings in connection with the child's adoption.

CHAPTER 719

An act to amend Sections 14104.3 and 14310 of the Welfare and Institutions Code, relating to Medi-Cal.

[Approved by Governor September 12, 1977. Filed with Secretary of State September 12, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 14104.3 of the Welfare and Institutions Code is amended to read:

14104.3. (a) The department may, to the extent feasible, enter into nonexclusive contracts providing arrangements under which funds available for health care under this chapter shall be administered and disbursed to providers of health care or to their designated agents in consideration for services rendered and supplies furnished by them in accordance with the provisions of the applicable contract and any schedule of charges or formula for determining payments established pursuant to such contract. Such contract shall provide that the carrier:

(1) Will take such action as may be necessary to assure that payment for services to hospitals and other facilities and professional services shall be predicated on the basis of reimbursement for reasonable cost based on standards determined by the director. The formula for such payments shall be determined in accordance with

regulations establishing the methods to be used and the items to be included. In prescribing such regulations, the department shall consider, among other things, the principles generally applied by state organizations representing such hospitals or other facilities or by established prepayment organizations which have developed such principles, in determining the method or methods to be used in arriving at the payment formula.

(2) Will take such action as may be necessary to assure that where payment under this chapter is on a charge basis, such charge will be reasonable and not higher than the charge applicable for a comparable service and under comparable circumstances to the policyholders and subscribers of the carrier.

(3) Bills for service under this chapter shall be reviewed and payment or rejection made within 30 days from receipt of evidence establishing validity of the bill for payment in the office of the paying agency. If it is determined by the paying agency that additional evidence of validity is required, such evidence shall be requested within 30 days from the date the bill is received in the office of the paying agency. In any event, notice shall be given in 60 days from the date the bill is received concerning the status of the bill submitted if such bill is held for peer review in the office of the paying agency beyond 30 days.

(b) Contracts awarded under this section shall be awarded on a bid basis, and before entering into any such contract, the director shall publish notice soliciting bids.

(c) Contracts awarded under this section may provide:

(1) Payments to the contractor may be on a capitation or prepayment basis, or on a combination of both methods of payment.

(2) Providers may assume all or part of the risk of utilization of services, or costs of services, or both, and that providers who agree to assume such risk may be separately classified for purposes of applicable rates of payment or administrative requirements.

(3) Such other provisions as have previously been incorporated into pilot programs established pursuant to Chapter 8 (commencing with Section 14200) of this part and determined by the director to be desirable and feasible.

The director, at least once each year, shall report to the Joint Legislative Budget Committee actions taken by him in the awarding of contracts under this section, including, but not limited to, the number and types of bids submitted, the basis on which contracts were awarded, and, if a contract is awarded to other than the lowest bidder, the reason for such action.

SEC. 2. Section 14310 of the Welfare and Institutions Code is amended to read:

14310. (a) In providing benefits under this chapter and Chapter 7 (commencing with Section 14000) the director shall aggressively seek the development of alternative forms of financing and delivering health care services. The director shall, in carrying out the intent of this section, contract with institutional providers, counties,

or other organizations to establish pilot programs which demonstrate the value, or lack thereof, of such a program in delivering or financing health care services in such a manner. Each pilot program shall be for a specified duration not to exceed four years and each pilot program shall be evaluated annually for its efficiency, effectiveness, and quality. Where the director finds that he is not able to evaluate a pilot program before the program is concluded, or where the director recommends implementation of a pilot program on a permanent basis but finds that he is not able to implement on a permanent basis such program immediately upon conclusion of the program's term, he may extend the duration of the pilot program beyond four years until such evaluation or permanent implementation can be accomplished. Any such extension shall be for a term not in excess of six months, but may be renewed for additional six-month terms. The total extension shall not exceed two years.

(b) The director shall pursue the feasibility of establishing the following as pilot programs:

(1) A capitated, risk assuming contract with one or more regional fiscal intermediaries.

(2) A capitated, risk assuming contract with acute care hospitals within a county or region.

(3) A capitated, risk assuming contract with one or more organizations which provide payment to a specified class or classes of providers.

Persons eligible for services under Section 14005 may be assigned by the department to a prepaid health plan which affords any qualified Medi-Cal providers within the service area an opportunity to participate in the plan under reasonable restrictions approved by the department, provided, however, such persons shall be entitled to request and receive a Medi-Cal card if assignment to a plan does not meet with their satisfaction.

For purposes of this section, "risk assuming" means the pilot program contractor agrees to assume the risk of utilization of services or costs of services, or both.

(c) The department shall establish publicly operated health service delivery systems as pilot programs, to determine whether high-quality, comprehensive Medi-Cal benefits can be provided at a reasonable cost on a prepayment basis in a public service system. To the extent possible, the department shall establish programs in both rural and urban areas. The rural and urban areas designated for the programs shall be medically underserved to meet the health needs of the Medi-Cal population as determined by the director. The pilot programs shall have at least the following characteristics:

(1) The programs shall be publicly operated either by the department directly or through contract with other public entities.

(2) The programs may be regional in nature, extending beyond the boundaries of any one county.

(3) The programs shall enroll Medi-Cal recipients and be funded

by the department on a prepayment capitation basis in accordance with capitation rates at or less than those paid by the department to prepaid health plans under this chapter for the same or similar care.

(4) The programs shall provide the full range of Medi-Cal services required of prepaid health plans and shall meet all statutory requirements and all regulatory and contractual requirements established by the department for the program.

(5) The programs shall emphasize the innovative use of health personnel including midlevel medical, nursing and dental professionals in ambulatory settings.

(6) Medi-Cal recipients enrolling in a pilot program pursuant to this subdivision shall be offered a choice of qualified primary care physicians employed by the program to be the recipients' designated primary care physicians.

(d) The director shall also consider programs which demonstrate an innovative and economical use of health personnel, including, but not limited to, programs approved pursuant to Article 18 (commencing with Section 429.70) of Chapter 2 of Part 1 of Division 1 of the Health and Safety Code, which emphasize preventive care, which stress new methods for controlling utilization of services or review of provider competency, or which provide an incentive to beneficiaries to seek the most economical level of care. Such programs may provide benefits on the basis of class of recipient, class of benefit, geographical area, or any other reasonable classification, and may provide, to the extent permitted by federal law, benefits or services not included in Section 14132. The director may provide that the extent of benefit coverage may be limited to a fixed number of days, or amount, or duration of services.

(e) Except as provided in subdivisions (b) and (c), payment may be made to a pilot program on a capitated or prepayment basis, on a fee-for-service basis, or on some combination of both systems. For the purposes of this subdivision, "capitated" or "prepayment" means a prospective per capita rate of payment determined in accordance with Section 14301, and the term "Medi-Cal beneficiaries enrolled in a prepaid health plan" in Section 14301 includes all Medi-Cal beneficiaries subject to the terms of a pilot program contract under which individual enrollment is not required.

(f) The director shall call a public hearing pursuant to Section 14300 prior to entering into or renewing pilot programs.

(g) The director shall submit to the Legislature a written report detailing the objectives of all pilot programs, the department's analysis of their effectiveness, efficiency, and quality, and other information regarding such pilot programs not later than January 30 of each year. At the conclusion of a pilot program the director shall report to the Legislature concerning the desirability and feasibility of implementing the pilot program on a statewide basis.

CHAPTER 720

An act to amend Section 527 of the Code of Civil Procedure, relating to provisional remedies.

[Approved by Governor September 12, 1977 Filed with Secretary of State September 12, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 527 of the Code of Civil Procedure is amended to read:

527. (a) An injunction may be granted at any time before judgment upon a verified complaint, or upon affidavits if the complaint in the one case, or the affidavits in the other, show satisfactorily that sufficient grounds exist therefor. A copy of the complaint or of the affidavits, upon which the injunction was granted, must, if not previously served, be served therewith.

No preliminary injunction shall be granted without notice to the opposite party; nor shall any temporary restraining order be granted without notice to the opposite party, unless it shall appear from facts shown by affidavit or by the verified complaint that great or irreparable injury would result to the applicant before the matter can be heard on notice. In case a temporary restraining order shall be granted without notice, in the contingency above specified, the matter shall be made returnable on an order requiring cause to be shown why the injunction should not be granted, on the earliest day that the business of the court will admit of, but not later than 15 days or, if good cause appears to the court, 20 days from the date of such order. When the matter first comes up for hearing the party who obtained the temporary restraining order must be ready to proceed and must have served upon the opposite party at least two days prior to such hearing, a copy of the complaint and of all affidavits to be used in such application and a copy of his points and authorities in support of such application; if he be not ready, or if he shall fail to serve a copy of his complaint, affidavits and points and authorities, as herein required, the court shall dissolve the temporary restraining order. The defendant, however, shall be entitled, as of course, to one continuance for a reasonable period, if he desires it, to enable him to meet the application for the preliminary injunction. The defendant may, in response to such order to show cause, present affidavits relating to the granting of the preliminary injunction, and if such affidavits are served on the applicant at least two days prior to the hearing, the applicant shall not be entitled to any continuance on account thereof. On the day upon which such order is made returnable, such hearing shall take precedence of all other matters on the calendar of said day, except older matters of the same character, and matters to which special precedence may be given by law. When the cause is at issue it shall be set for trial at the earliest

possible date and shall take precedence of all other cases, except older matters of the same character, and matters to which special precedence may be given by law.

(b) A temporary restraining order may be granted with or without notice to restrain any person upon an affidavit which, to the satisfaction of a court, shows reasonable proof of a past act or acts of actual violence resulting in physical injury for the purpose of preventing a recurrence of actual domestic violence and assuring a period of separation of the parties involved. A temporary restraining order may be granted pursuant to this subdivision to any person who, prior to or at the time such order is granted, was actually residing with the person or persons at whom such order is directed, and, in the case of a marital relationship, notwithstanding that a petition for legal separation or annulment or dissolution of marriage has not been filed.

A temporary restraining order granted pursuant to this subdivision shall remain in effect, in the discretion of the court, not to exceed 30 days, unless otherwise terminated by the court.

In case a temporary restraining order is granted without notice, the matter shall be made returnable on an order requiring cause to be shown why the order should not be dissolved, on the earliest day that the business of the court will permit, but not later than 15 days or, if good cause appears to the court, 20 days from the date the temporary restraining order is granted.

Any willful disobedience of any temporary restraining order granted pursuant to this subdivision shall be a misdemeanor.

The county clerk shall transmit a copy of each temporary restraining order, or extension, modification or termination thereof, granted pursuant to this subdivision, by the close of the business day on which such order was granted, to the local law enforcement agency with jurisdiction over the residence of the party which obtained the restraining order or the residence at which the recurrence of actual domestic violence is the subject of the temporary restraining order, if requested by an attorney of record or a person who acted in propria persona and approved by the court. Each appropriate law enforcement agency may make available, through an existing system for verification, information as to the existence and current status of any temporary restraining order issued pursuant to this subdivision to any law enforcement officer responding to the scene of reported domestic violence.

CHAPTER 721

An act to add Section 7108.5 to the Business and Professions Code, relating to contractors.

[Approved by Governor September 12, 1977. Filed with Secretary of State September 12, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 7108.5 is added to the Business and Professions Code, to read:

7108.5. A prime building contractor shall pay to any specialty contractor, within 10 days of receipt of each progress payment, unless otherwise agreed in writing by the parties, the respective amounts allowed the contractor on account of the work performed by the subcontractors, to the extent of each such subcontractor's interest therein. Any violation of this section shall constitute a cause for disciplinary action.

This section shall apply to all private works of improvement and to all public works of improvement, except where the provisions of Section 14402.1 of the Government Code are applicable.

CHAPTER 722

An act to amend Section 3521 of the Business and Professions Code, relating to physician's assistants.

[Approved by Governor September 12, 1977. Filed with Secretary of State September 12, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 3521 of the Business and Professions Code is amended to read:

3521. The fees to be paid by applicants under this chapter are to be set by the committee as follows:

(a) Each physician desiring to supervise a physician's assistant shall file a separate application. Except as provided in subdivision (*l*), an application fee not to exceed fifty dollars ($50) shall be charged to each physician applicant for each application.

(b) Except as provided in subdivision (*l*), an approval fee not to exceed one hundred dollars ($100) shall be charged to each physician upon approval of an application to supervise a physician's assistant.

(c) The board shall renew an approval to supervise a physician's assistant upon application for such renewal, as provided in Section 3522, and a fee not to exceed one hundred fifty dollars ($150) shall be paid for such approval.

(d) An application fee not to exceed one hundred dollars ($100) shall be charged to each applicant seeking program approval by the committee.

(e) An initial fee not to exceed five hundred dollars ($500) shall be charged to each program upon approval of such program.

(f) A reinspection fee for approved programs shall be an amount

not to exceed one hundred dollars ($100).

(g) An application fee not to exceed twenty-five dollars ($25) shall be charged to all physician's assistant applicants.

(h) The initial certification fee for a physician's assistant shall not exceed one hundred dollars ($100).

(i) A physician's assistant certification renewal fee shall not exceed one hundred fifty dollars ($150).

(j) The delinquency fee is ten dollars ($10).

(k) If any approval or certification will expire less than one year after its issuance, then the initial approval or certification fee shall be in an amount equal to 50 percent of the initial approval or certification fee in effect on the last regular renewal date before the date on which the approval or certification is issued.

(*l*) Each director of an emergency care service in a hospital with an approved program for the training of emergency care physician's assistants shall file an application fee not to exceed two hundred dollars ($200). Approval shall be limited to one year after which such director shall renew the approval and pay a renewal fee not to exceed fifty dollars ($50). The fee provided in this subdivision shall be exclusive and in lieu of any other fee provided in this section.

CHAPTER 723

An act to add Section 16027 to, and to add and repeal Section 16028 of, the Vehicle Code, relating to financial responsibility, and making an appropriation therefor.

[Approved by Governor September 12, 1977. Filed with Secretary of State September 12, 1977.]

The people of the State of California do enact as follows:

SECTION 1. Section 16027 is added to the Vehicle Code, to read:

16027. (a) Whenever proof of financial responsibility has been established under the provisions of subdivision (a) of Section 16054.2 and a period of three years has elapsed following the accident, the cash deposit, or any balance thereof remaining shall be refunded to the person entitled thereto, if the director is satisfied that there are no outstanding or pending claims against the deposit.

(b) If the deposit or any balance thereof is refundable under the provisions of this section but remains unclaimed by the depositor or any other person entitled thereto for a period of five years from the time of the accident, the unclaimed deposit shall then be transferred to the Motor Vehicle Account in the Transportation Tax Fund.

SEC. 2. Section 16028 is added to the Vehicle Code, to read:

16028. Any security or any balance thereof deposited under the provisions of former Section 16027 that was repealed by Chapter 1409 of the Statutes of 1974, effective January 1, 1975, which is not claimed by the depositor or any other person entitled thereto by December 31, 1978, shall be transferred to the Motor Vehicle Account in the

Transportation Tax Fund, if the director is satisfied that there are no outstanding or pending claims against the security.

This section shall remain in effect only until December 31, 1978, and as of that date is repealed, unless a later enacted statute, which is chaptered before December 31, 1978, deletes or extends such date.

CHAPTER 724

An act to amend Section 9873 of the Business and Professions Code, relating to electronic and appliance repair dealers.

[Approved by Governor September 12, 1977. Filed with Secretary of State September 12, 1977]

The people of the State of California do enact as follows:

SECTION 1. Section 9873 of the Business and Professions Code is amended to read:

9873. The fees prescribed by this chapter shall be set by the director according to the following schedule:

(a) The service dealer registration fee for a service dealer who for compensation engages in the business of repairing, servicing, or maintaining either (1) television, radio, or audio or video recorders or playback equipment normally used or sold for use in the home or in private motor vehicles, television or radio receiver antennas or rotators, or (2) appliances, but not both, is not more than seventy-five dollars ($75) for each place of business in this state. The service dealer registration fee for a service dealer who for compensation engages in the business of repairing or maintaining both (1) television, radio, or audio or video recorders or playback equipment normally used or sold for use in the home or in private motor vehicles, television or radio receiver antennas or rotators, and (2) appliances, is not more than one hundred fifty dollars ($150).

(b) The annual registration renewal fee for a service dealer who for compensation engages in the business of repairing, servicing, or maintaining either (1) television, radio, or audio or video recorders or playback equipment normally used or sold for use in the home or in private motor vehicles, television or radio receiver antennas or rotators, or (2) appliances, but not both, is not more than seventy-five dollars ($75) for each place of business in this state, if renewed prior to its expiration date. The annual renewal fee for a service dealer who for compensation engages in the business of repairing or maintaining both (1) television, radio, or audio or video recorders or playback equipment normally used or sold for use in the home or in private motor vehicles, television or radio receiver antennas or rotators, and (2) appliances, is not more than one hundred twenty-five dollars ($125).

(c) The delinquency fee is an amount equal to 50 percent of the renewal fee for such license in effect on the date of renewal of the license, except as otherwise provided in Section 163.5.